

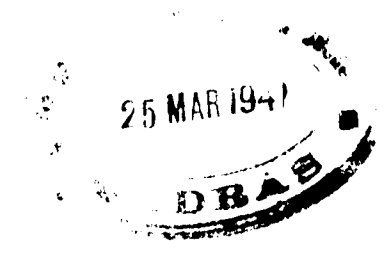
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THE SOUTHERN INDIA COMMERCE

137



JANUARY 1941



On Some Current Events: A Review
History and Prospects of Paper Industry in India
The Coffee Control Scheme and Indian Coffee Market
Expansion Board
War Restrictions

Vol. 4

**THE SOUTHERN INDIA
CHAMBER OF COMMERCE
MADRAS**

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SOUTHERN INDIA COMMERCE

JANUARY 1941

No. 1

On Some Current Events: A Review

May the New Year bring peace and prosperity to our readers, more orders and freight for the tobacco and groundnut shippers, and less of license nuisance to the watch importers and less of Censorship harassment to the importers of over-issued newspapers; above all may the New Year see the end of new taxes and allow the Finance Member to keep his inventive genius in cold storage!

Busy as the members of the Government of India are about war supply orders distribution, trade marks registration, statutory permission to companies to contribute to war funds, etc., they have luckily had time to placate the labourers by holding a conference of Labour Advisers and Ministers. Many of the schemes they discussed were stolen from the Congress Ministers' Portfolios—Weekly holiday to Commercial Establishments, holidays with pay, maternity benefit, sickness insurance, unemployment benefit and so on. But the necessity is great for Government striking the mass conscience, and moreover though the conventions and recommendations of the International Labour Conference have for the present been left to stew in their own juice, and it is all uncertain when the International Labour Conference will come back to life and primacy, no time should be lost in catching up Indian industrialists in their growing competitive strength.

India had the honour of entertaining representatives of the Eastern half of the

British Empire in October last and they dispersed after a profuse display of mutual admiration and sympathy. Meanwhile the Roger Mission scoured the country and have probably made out a case for India continuing to supply raw materials when H. M.'s Ministry wants her and for Dominions and Colonies developing the corresponding industries, so that the activities of the limbs and organs of the Empire will be conducive to the health of the Empire and wealth of the heart of the Empire. The representatives have dispersed, but their place has been taken by the Eastern Group Supply Council to carry out the policy of co-ordination. Indian business interests have a genuine apprehension that the key industries that may necessarily have to be started in India in accordance with the schemes of the Council may be made to hang on the tenter-hooks of Empire Capital and Control, forging a few more links in the chain of our economic thralldom. Strangely enough, the Conferences had not a word of encouragement to give to India as to her incipient Aeroplane factory or Automobile or Ship building industries. They could not fail to recognise that if any industries are important for the successful prosecution of the war it is those three industries, and yet not a tear for the lapse of 15 precious months of the war for contemplating and planning them. Government of India have throughout played successfully the role of interested spectator and given free scope to private talent and enterprise. That is of course a virtue in itself.

On Some Current Events: A Review

It is refreshing to hear that Government of India will shortly sponsor a Bill for enlarging the constitution of the Madras Port Trust Board so as to increase the representation of Indian business, labour, and municipal interests. As Indians' share in the export and import trade of the country has undergone tremendous change during the last quarter of a century after the constitution of the Madras Port Trust was framed last, and Indians are handling the bulk of the trade, they ought to get a majority of seats on the Board. This has been already recognised by Government and changes in the constitution were made in the case of certain ports like Bombay and Karachi, but Madras remains the Cinderella having to coquet now with the local Government and now with the Government of India. This enlargement of the constitution is long overdue and let us hope that the change will become law at an early date. Simultaneously with that change is due the long expected change in the Chairmanship. It is a great handicap to all people having business with the Madras Port to have to do with the same person once as Traffic Manager and again as Chairman and appellate authority. It would conduce to healthy administration if the posts are separated. Moreover it is high time that we had an Indian as chairman. When Indians are occupying highest positions in all departments of traffic, engineering and administration there is no reason why an Indian could not be the Chairman of a port trust. If possible he should be a non-official. Members of the Indian Civil Service are fit for any job, but that would only be a change from Philip sober to Philip drunk. If a non-official could take the place it would conduce to healthy and impartial administration of affairs by the Trustees without the domination of the Executive Officer.

The recent British Government *cum* India Government Sterling Loan Liqui-

dation scheme amounts to Government India paying off British creditors borrowing from Indian creditors. For many long year Indian economists and businessmen have been demanding reduction of foreign indebtedness of India, for a dependent country, equally independent economically and politically, would be abroad in normal times, and ten to an economic guarantee to a foreign country a surrender in some measure of political identity. We have had dismal proof of it at the three Round Table Conferences which laboured to evolve a Federal Scheme for India. All the heat of the discussions centred round the financial safeguards and guarantees for British investments in India. There are plentiful funds in India and moreover the statutory investments in Government paper required by the new laws of insurance and banking call for more Government loans. But we might rightly say with Johnson to Lord John Bull that if it had come ten years ago it would have been done gracefully. And what is worse, if there is any chance of sterling depreciating further, God forbid, in consequence of the war strain, India is throwing away that chance of repaying sterling loans at a cheaper rate.

We have been holding grave apprehensions about the abnormal accumulation of sterling that was taking place in England against credit due to India for exports, etc., instead of taking gold from the buyers of Indian goods. India has moreover been generously exporting her stocks of gold to the grabbing countries, mostly to Britain and no amount of public opinion could persuade Government of India to impose a ban on export as the most enlightened countries have been doing. She threw away her stocks and failed to take delivery of what stocks she could have had abroad.

On Some Current Events: A Review

This relief from about 1/4 of India's indebtedness comes as a sop to Indian agitators. But Britain is only making a virtue of necessity. London wants funds for investment in new Government loans for war purposes and the Indian money market will now provide the funds to enable Government to pay off the British creditors. This will also enable the British creditors to realise their investments in India at a premium and be secure from the uncertainties of the future.

Besides borrowing in India, Government may have to look to revaluation of gold in the Currency Reserves for making up the money required to pay off the loans. Such gold has been remaining for

years at a fictitiously low value after the pound sterling left its gold moorings. If revaluation was right in normal times how could it be done now when the whole world is in such a turmoil and neither currencies nor commodities nor even pledges hold any standard values. And what becomes of the theory of Sterling resources to protect the rupee exchange at its present fictitious value? The Chamberlain Commission of 1915 was most uncompromising in its plea for such protective vaults being located in London. That was the shibboleth on which all later accumulations were hanging. Theories and principles are for convenience and expediency and must change to suit the times!

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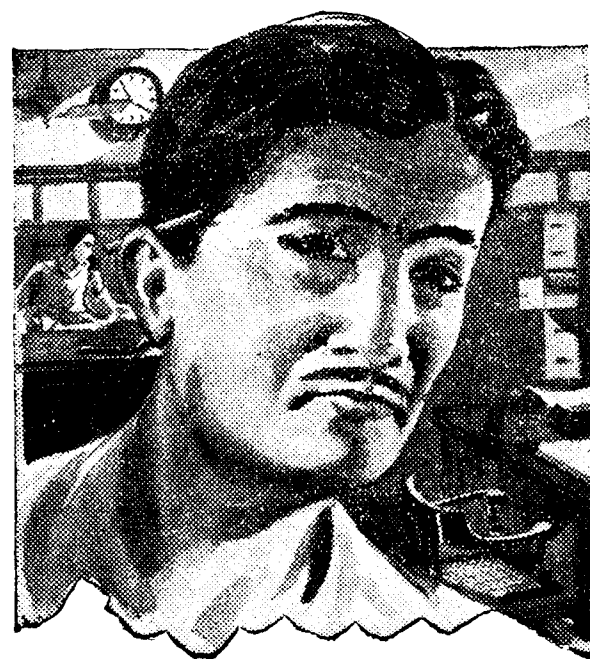
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[K.14]

Trade and Commerce

Madras Commerce in November 1940

In the Madras commodity markets, prices of food grains advanced during November by a further three points to 119, whilst on the other hand the index for the commercial products group declined by two points to 97, the index of wholesale prices of all commodities remaining stationary at 107. The cotton market was firm with clearances of stocks on a satisfactory scale. There was a good enquiry throughout the month for tanned hides and prices improved. Cow and buff calf also advanced appreciably as the result of good enquiry. There was a good demand for tanned goat skins and tanned sheep skins and prices advanced satisfactorily. The groundnut market was weak and prices fell away in the absence of demand. The tone of the rice and paddy market was satisfactory and prices of rice improved, though towards the end of the month, the arrival of the new crop resulted in lower quotations for paddy. The Calicut coir yarn market was weak owing to lack of European demand and the Cochin coir yarn market was lifeless. The copra and coconut oil markets underwent some fluctuation, and after showing an improved tendency due to a shortage of copra, weakened though values closed a little higher than at the end of the previous month. Owing to heavy Indian demand, the Calicut ginger market advanced and closed strong. The Calicut pepper market was fairly steady as a result of moderate Indian demand. The Madras sugar market weakened for reasons which will be referred to later. The demand for locally manufactured acids and chemicals was normal.

GROUNDNUTS:

The tone of the market was weak and prices declined in the absence of demand. The average wholesale prices per candy of 531 lbs. of standard varieties at the main producing centres were as follows:

25th October 1940 ... Rs. 21-4-0 to Rs. 24-0-0
29th November 1940... Rs. 16-12-0 to Rs. 19-2-0

PADDY AND RICE:

Transactions in both paddy and rice were on a fairly active scale and prices rose. In the last week, however, quotations for paddy declined owing to the arrival of new crop. The average wholesale prices of standard varie-

ties at the main producing centres were as follows:

Indian paddy per bag of 170 lbs.

25th Oct. 1940 Rs. 6 12 0 to Rs. 6 15 3
29th Nov. 1940 Rs. 5 8 0 to Rs. 7 4 0

Indian rice per bag of 170 lbs.

25th Oct. 1940 Rs. 9 3 9 to Rs. 10 0 0
29th Nov. 1940 Rs. 9 8 6 to Rs. 10 12 0

Rangoon rice, raw, broken, A-1, per bag of 220 lbs.

31st Oct. 1940 Rs. 10 2 0 } Madras.
30th Nov. 1940 Rs. 10 10 0 }

Calcutta rice (Nagara), boiled per bag of 164 lbs.

31st October 1940 Rs. 10 2 0 } Madras.
30th November 1940 Rs. 10 8 0 }

COCONUT PRODUCTS:

Due to lack of European and Indian demand, the market for Quilandy coir yarn remained weak throughout the month. The market for Beypore yarns improved early in the month owing to purchases by Arabs, but eased off subsequently. The market for Calicut unsoaked yarns also dropped and closed weak owing to lack of European demand. The Cochin coir yarn market was lifeless throughout the month. The market for copra and coconut oil was steady at the commencement, and firmed up towards the middle of the month. Subsequently, demand slackened and quotations sagged in consequence although closing a little higher on balance.

COTTON:

Tinnevelly.—Fresh arrivals from the interior were restricted. South Indian mills continued to be eager buyers and prices advanced from Rs. 215 per candy of 784 lbs. to Rs. 230 towards the end of the month. No interest was shown from outside South India in view of the level of prices.

Cambodia.—Fresh arrivals were very restricted. Some of the mills bought small parcels, but no outside interest was in evidence. Prices ranged from Rs. 250 to Rs. 320.

SUGAR:

The Madras sugar market opened steady with limited demand, but with a weaker tone in evidence due to conflicting reports from the North in regard to the future. Dealers in

	RAW HIDES				RAW SKINS				LEATHER			
	Import (In tons)		Export		Import (In tons)		Export		Import (In tons)		Export	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
January	2.182	2.236	68	170	611	1,013	67	11	...	575	...	137
February	1.497	3,320	85	91	628	1,037	29	106	384	547	76	140
March	2.152	3,670	30	101	728	795	47	110	74	469	97	152
April	1,896	3,084	40	102	649	870	33	60	469	685	93	21
May	1,816	2,003	49	104	564	726	49	46	510	615	90	181
June	1,288	1,026	45	69	671	517	47	80	521	521	90	148
July	2.176	984	84	67	802	578	96	36	56	415	80	212
August	2.158		142		616		50		625		88	
September	1,804		87		452		37		537		100	
October	239		141		891		89		481		18	
November	3,067		278		1,026		49		522		119	
December	2,347		86		771		111		510		139	
	22,625		1,140		8,412		700		5,042		995	

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

	IRON AND STEEL GOODS				OIL CAKES				VEGETABLE OILS			
	Import (In tons)		Export		Import (In tons)		Export		Import (In tons)		Export	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
January	6.783	10,150	2,571	2,351	6,259	1,593	90	41	874	250	2,146	3,118
February	16,809	9,292	1,589	4,843	4,033	2,459	64	2,459	787	353	2,523	3,632
March	10,124	8,991	5,477	3,762	3,712	3,572	34	68	10,35	469	2,379	2,845
April	9,722	7,112	2,278	3,098	4,312	258	53	94	824	878	2,108	2,659
May	9,712	7,699	1,770	4,015	4,856	2,304	104	140	1,096	630	1,739	2,633
June	7,579	6,998	1,787	2,988	4,121	3,141	113	218	685	218	1,169	1,873
July	9,694	9,441	2,967	3,079	3,428	3,470	68	127	651	438	1,228	1,123
August	8,924		2,007		2,716		38		405		1,201	
September	10,441		3,189		2,327		101		445		1,737	
October	7,107		2,459		3,779		224		14		1,169	
November	6,448		2,034		2,217		11		359		1,600	
December	9,092		1,500		2,559		48		460		3,055	
	113,438		30,014		44,324		952		7,641		60,22	

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

	CASTOR SEED				COTTON SEED				GROUNDNUT			
	Import (In tons)		Export		Import (In tons)		Export		Import (In tons)		Export	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
January	451	2,819	Nil	90	1,482	1,090	131	14	5,027	1,886	1,347	24,94
February	1,248	8,304	Nil	169	533	972	56	7	3,113	1,730	12,155	7,888
March	1,419	5,414	42	104	1,989	1,822	192	2,676	3,222	2,217	5,854	99,390
April	1,144	4,036	16	131	2,206	2,822	274	34	2,794	3,132	4,017	35,707
May	1,176	2,202	18	88	1,433	312	115	Nil	108	1,960	5,716	06,818
June	765	4,303	18	12	1,834	894	48	4	3,513	712	2,145	3,559
July	399	123	8		1,990	1,548	158	1	2,114	303	2,809	
August	416				1,921		123		678		3,258	
September	1,577		5,287		2,848		176		56		907	
October	2,564		155		1,724		14		71		871	
November	1,109		5		1,333		27		4,775		931	
December	227		103		1,999		1278		6,520		15,184	
	12,498		5,609		21,297		2,596		31,995		55,200	

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

	AND MUSTARD				GINGELLY SEED				SALT			
	Import (In tons)		Export		Import (In tons)		Export		Import (In tons)		Export	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
January	261	354	7	283	2,439	1,053	1	17	1,123	284	4,263	3,877
February	1,013	1,181	581	730	2,808	3,669	4	77	827	1,906	3,335	8,678
March	561	613	337	55	1,404	3,272	1	74	1,789	1,272	4,079	3,706
April	228	509	308	16	1,776	1,427	8	3	2,709	2,140	6,368	6,774
May	117	432	90	4	511	859	9	7	2,743	2,769	8,051	7,084
June	53	41	39	Nil	528	517	Nil	2	275	42	3,691	4,835
July	17	68	47	30	609	538	9	1	Nil	3	2,627	3,679
August	32		57		748		1		4		3,121	
September	22		127		1,329		16		Nil		4,465	
October	30		88		2,116		2		1		5,187	
November	144		85		1,433		32		23		5,619	
December	75		39		2,776		80		537		6,975	
	25,558		1,809		18,482		159		10,034		57,737	

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

	SUGAR—REFINED				JAGGERY AND MOLASSES				TEA			
	Import (In tons)		Export		Import (In tons)		Export		Import (In tons)		Export	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
January	5,720	4,098	677	289	263	161	3,085	321	70	122	373	380
February	4,071	8,913	881	751	582	446	5,559	6,703	110	94	321	257
March	2,487	1,864	438	279	366	753	386	5,627	96	79	321	312
April	705	1,980	665	389	263	555	3,801	3,848	95	115	383	315
May	1,266	2,620	1,405	60	174	741	2,132	2,263	104	76	419	361
June	78	3,379	701	257	47	343	1,247	977	89	101	367	342
July	73	10,034	834	601	51	321	1,798	1,294	111	114	334	320
August	827		118		76		1,315		118		411	
September	967		458		106		1,407		146		371	
October	1,141		914		95		1,452		102		388	
November	1,427		610		45		889		126		393	
December	4,042		300		103		1,869		145		481	
	22,847		8,005		2,177		24,944		1,317		4,666	

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

	RAW TOBACCO				WOOD AND TIMBER				RAW WOOL			
	Import (In tons)		Export		Import (In tons)		Export		Import (In tons)		Export	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
January	241	340	1,129	1,466	4,293	5,543	1,074	928	16	36	66	145
February	378	397	676	592	4,532	5,080	981	628	30	83	74	204
March	584	619	2,159	1,616	5,444	6,853	1,070	1,682	50	54	44	159
April	563	541	3,073	162	7,237	8,045	788	867	71	35	92	137
May	179	422	2,019	1,138	6,560	5,375	388	340	113	24	162	36
June	273	148	1,312	1,063	5,922	3,789	792	861	60	6	116	71
July	211	152	1,241	965	3,141	2,996	505	1,655	58	16	68	162
August	122		96		2,007		1,385		85		112	
September	127		1,191		1,575		852		76		167	
October	272		1,699		1,285		869		43		82	
November	273		2,076		2,215		833		9		83	
December	290		1,299		3,832		780		18		92	
	3,518		17,975		48,050		10,322		634		1,163	

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

Agriculture

Castor Crop Forecast of the Madras Agricultural Department for 1940

The average of the areas under castor in the Madras Province during the five years ending 1938-39 has represented 17.5 per cent of the total area under castor in India.

The area under castor in the Madras Province up to 25th November 1940 is estimated at 250,000 acres. When compared with the area of 272,600 acres estimated during the corresponding period of last year, it reveals a decrease of 8.3 per cent. The estimate of last year was greater than the actual area of 266,051 acres by 2.5 per cent.

The crop is mainly grown in Guntur (27,000 acres), the Deccan (121,000 acres), Nellore (38,000 acres) and Salem. As compared with the actual area of last year, a decrease in area is estimated in Guntur, Anantapur (-21,200 acres), and Nellore and an increase in area in the other districts.

The yield is expected to be normal in all districts outside Vizagapatam. The seasonal factor for the province as a whole is estimated to be 100 per cent of the normal. On this basis, the yield is estimated at 24,900 tons as against 26,800 tons estimated for the corresponding period of last year and 25,630 tons estimated in the season and crop report of last year.

The wholesale price of castor seed per imperial maund of 82-2/7 lb. (equivalent to 3,200 tolas) as reported from important markets on 16th December 1940 was Rs. 6-4-0 in Vizianagaram, Rs. 6 in Guntur, Rs. 5-15-0 in Nandyal, Rs. 5-12-0 in Vizagapatam, Rs. 5-8-0 in Cuddapah, Rs. 5 in Bellary and Anantapur and Rs. 4-10-0 in Hindupur. When compared with the prices reported in the previous year, i.e., those which prevailed on 18th December 1939, these prices reveal a rise of approximately 14 per cent in Vizianagaram, 11 per cent in Anantapur, and 10 per cent in Cuddapah and a fall of approximately 14 per cent in Nandyal and 9 per cent in Bellary, the price remaining stationary in Hindupur.

ALL-INDIA SECOND RICE FORECAST, 1940-41:

This forecast is based on reports furnished by the undermentioned Provinces and States, which comprise a little over 96 per cent of the total rice area in India. The forecast refers practically to the whole of the rice crop (early and late) in all the reporting Provinces and States, with the exception of the late crop in

Hyderabad, the summer crop and the crop in Coorg and Mysore, information regarding which will be included in the Final General Memorandum to be published in February 1941. The reports relate generally to conditions up to the beginning of December.

The total area reported is 68,936,000 acres (including 963,000 acres for the Punjab which has begun preparing forecast of the rice crop from this year), as against 69,675,000 acres (revised) at this time last year. Excluding the area under rice in the Punjab, the present estimate shows a decrease of 2 per cent.

Weather conditions have not been favourable. The crop has been affected by insufficient rain during the growing period and its present condition is reported to be fair.

The following table shows the area and the estimated outturn as far as available. Figures of outturn are incomplete, owing to the absence of estimates from Madras, the United Province, the Punjab, Hyderabad, Baroda and Bhopal which are not available at this stage.

Provinces and States.	Area.	Outturn of clean- ed rice.	Yield per acre.
	(1,000 acres.)	(1,000 tons)	lbs.
Bengal (a) ...	20,313	6,450	711
Madras ...	8,928	(d)	...
Bihar (a) ...	9,245	2,193	531
Central Provinces and Berar (b) ...	7,842	1,486	424
United Provinces (including Rampur State) (a) ...	7,322	(d)	...
Assam (a) ...	4,881	1,640	753
Orissa (a) ...	4,895	1,335	611
Bombay (including Indian States) ...	2,322	932	809
Sind (including Khair pur State) ...	1,266	381	674
Punjab ...	963	(d)	...
Hyderabad ...	758	(d)	...
Baroda ...	165	(d)	...
Bhopal (Central India) ...	36	(d)	...
Total for 1940-41 ...	68,936	...	...
Total for 1939-40 ...	69,675(c)	...	...

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Bezwada	Katpadi	Renigunta
Bowringpet	Miraj	Tenali
Gadag	Nellore	and Waltair
Guntakal		

Agriculture

COFFEE CONTROL SCHEME:

The following press communique dated the 2nd December, 1940, has been issued by the Government of India in the Department of Commerce:

The Coffee Industry which is concentrated in the Provinces of Madras and Coorg and the States of Mysore, Travancore and Cochin has lost a considerable proportion of its export market as a result of the war.

At the beginning of September the Coffee Industry discussed the best method of meeting the loss of export markets, and in the middle of that month the Honourable the Commerce Member attended a meeting in Madras at which representatives of all coffee interests and of Governments and States concerned were present. This meeting drew up an agreed scheme for dealing with the situation. This scheme was circulated to the Indian Coffee Cess Committee, the Government of Madras, the Chief Commissioner, Coorg, and the three Indian States and accepted by all. The main features are:—

- Registration of all growers owning coffee estates of an aggregate area of 25 acres or more and of estates owned by such growers.
- Licensing of coffee curing establishments.
- Control of the scheme to be in the hands of an Indian Coffee Market Expansion Board consisting of members of the Indian Coffee Cess Committee with some additional members. The principal Executive Officer will be a Government official appointed by the Central Government.
- Division of the crop, whether cured or uncured, of each registered estate into two parts—one for internal sale and the other for delivery to a surplus pool—the percentage regulating the division being the same for each estate.
- Existing cess on exports to be continued and an excise to be levied on the quotas allotted for internal sale.
- All registered growers will be free to sell on the internal market the quota of cured coffee allotted for internal sale but a licence will be required for the sale of any uncured coffee included in a quota.

- The balance of the crop delivered to the surplus pool to be controlled by the Board. The Board to arrange for export sales and all exports otherwise than by the Board to be prohibited. The Board to have power to release from the surplus pool for sale on the internal market so as to ensure control of prices. Sale proceeds of surplus pool to be divided proportionately between all growers delivering coffee to it.
- The Central Government will have power to fix minimum wholesale prices.
- Existing powers and duties of the Indian Coffee Cess Committee to be continued by the Board.

In view of the unanimity of opinion among the various interests the Central Government have decided to introduce as an experimental measure for the season 1940-41 a scheme drawn on these lines. It is expected that an Ordinance will shortly be issued giving effect to this decision. It is anticipated that the experimental scheme will also be implemented by necessary legislation in the States concerned.

If this experimental scheme is to prove successful it is essential that it should bring under control as much as possible of the coffee crop harvested during the present year. The Central Government have accordingly decided to include a clause in the proposed Ordinance so as to enable the provisions contained therein to be applicable to all contracts for the sale of coffee entered into after the date of this communique (i.e., from 3rd December, 1940) and also to enable them to cancel or modify any such contract if in their opinion such a course is necessary for the fulfilment of the objects of the scheme. As regards contracts entered into before the date of this communique, these will not be affected but it is intended that the Ordinance will contain provisions requiring all coffee growers and exporters who have entered into any contracts before that date to furnish to the Indian Coffee Cess Committee within fourteen days of the coming into force of the Act the details of any such contracts.

Personnel—Coffee Market Expansion Board

Mr. P. H. Rama Reddi, (nominated by the Central Government),



Agriculture

Mr. W. Pritchard, I.C.S., Chief Commissioner, Coorg (nominated by the Central Government).

Rajamantrapravina N. Madhava Rao, B.A., B.S., (nominated by the Government of the State of Mysore).

Mr. K. R. Narayana Iyer, Travancore (nominated by the Government of the State of Travancore).

Mr. K. Krishna Warriar, (nominated by the Government of the State of Cochin),

Dr. F. N. DeSouza, M.L.A., Mr. L. P. Kent, Dharmaprayartha M. L., and Nagappa Setti (nominated by the Government of the State of Mysore),

Mr. T. A. Kailasam Pillai, Ootacamund (nominated by the Central Government),

Diwan Bahadur K. Chengappa (nominated by the Central Government),

Mr. A. L. Hill, O.B.E., M.C., Mr. N. G. B. Kirwan, and Sir F. E. James, O.B.E., M.L.A., (nominated by the United Planters' Association of Southern India)

Lieut. Colonel H. F. Murland (nominated by the Coorg Planters' Association)

Mr. St. John Hunt (nominated by the Mysore Planters' Association),

Mr. Sylvester Pais, B.A. (nominated by the Indian Planters' Association, Mysore),

Mr. W. K. M. Langley, O.B.E., M.L.A., Mr. E. H. Stanes, M.C., and Mr. Venkataraniiah Lakshmi Narsu, (nominated by the Central Government),

Dr. W. Burns, D.Sc., C.I.E., I.A.S., (nominated by the Central Government),

Mr. T. G. Rama Iyer (nominated by the Central Government),

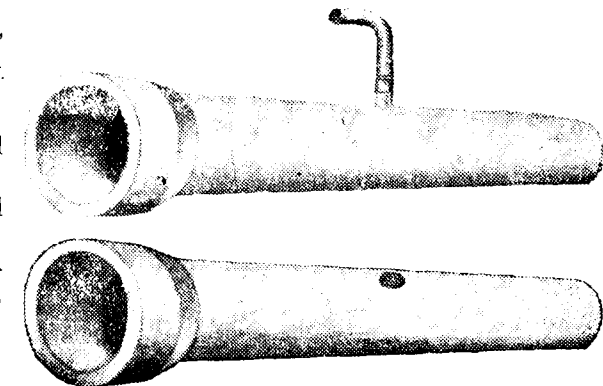
Rao Sahib Kandaswamy Chettiar of Yercaud, Salem (nominated by the Central Government),

Mr. Mizar Govind Pai, President, Mangalore Coffee and Produce Merchants' Association, Mangalore (nominated by the Central Government).

Mr. M. P. Pai, I.C.S., has been appointed the Controller of Coffee with effect from the 21st December 1940.

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Industry

Paper Making in India

I

Paper making in India is of some antiquity. At least one writer claims that a hand manufacture process had been known and practised from quite early times. But we are not now concerned with the evolution of craftsmanship so much as its establishment as a modern industry. This may be said to date from the year 1867 when the first Paper Mill, subsequently absorbed into a larger concern, was established on the Hooghly. During fifteen years of solitary existence this Mill made no very marked headway in either their technical or commercial departments. In 1879 a second Paper Mill in Upper India had come into production and in 1882 the third Mill was registered as a public limited company. These three, with a couple of smaller concerns in Gwalior and Poona, were the early pioneers in an industry which in its early days does not appear to have made a very strong appeal to the industrial *entrepreneur* of last century. By 1925, the year in which the industry first made an organised appeal for protection by tariff, there were 9 mills in existence, whilst two more were projected. In the intervening years the number of mills in production has only been increased by two bringing the total to 11 in 1940. The relatively high capital outlay coupled with the admittedly difficult technical processes have tended to keep down the number of paper making concerns in India. For most of the time that paper has been made in India manufacturers have looked mainly to the domestic market for their sales, but the time has arrived when paper making in India may be ranked amongst the country's potential exporting industries and reference is made to this aspect of the matter later on in this brochure.

RAW MATERIALS:

In its early days the Indian industry considered the manufacture of high class white paper rather beyond its capacity, and this was to some extent due to its dependence upon rags and waste paper for its raw material. But this crude practice was soon to change. Routledge in 1860 proved the virtues of Esparto—a semi-tropical grass—and in 1875 and 1879 reported upon the possibilities of Indian bamboo which served to draw attention to other Indian fibres. These are only incomplete records of the

early experiments with Indian fibres, but it is known that two mills made use of Moonj (*Saccharum Moonja*) and Sabai (*Ischaemum Angustifolium*) in their first years. Moonj seems so have held the field in the beginning, for it made a very good paper. Sabai, however, presented least difficulty as regards treatment, and, therefore, soon came into universal favour among Indian mills. Having found in Moonj and Sabai ample resources of plant fibre it was perhaps natural that the Indian mills then in operation should at that time have made no effort to follow up Routledge's researches in bamboo—a much more difficult problem. But it is an interesting speculation to think of the possibilities had the technique of bamboo pulp manufacture received simultaneously the attention given in other countries to the technique of wood pulp manufacture. Possibly India might have come to the front as one of the world's most important producers of pulp and paper. What actually happened was that the industry based on Sabai grass, while relatively still in its infancy was almost put out of business by the competition of wood pulp. Nevertheless in bamboo it later found a new raw material of great value.

A few details about the homely indigenous fibre which provides the raw material for this great Indian industry may not be out of place at this point. Both the Tariff Board of 1925 and the Tariff Board of 1931 found that the supplies of bamboo in areas where the other conditions were favourable for exploitation were sufficient to meet the needs of all the paper mills in India and to leave a surplus from which an export trade in pulp could be developed. Apart from Assam and Chittagong, seven areas were specified as having been subjected to regular survey, one in Orissa, two in Madras and one in Bombay, from which the estimated yield of bamboo was 291,000 tons, and three in Burma from which the estimated yield was 1,661,000 tons. The quantity of bamboo available from surveyed areas in India now exceeds 600,000 tons against the estimate of 291,000 tons in 1930-31. Additional supplies are obtainable from unsurveyed areas for which no estimates are available. Assuming that 2.38 tons of bamboo on an average are required to make a ton of paper, the quantity of bamboo at present

Paper Making in India

required by mills is about 40,000 tons. There is, therefore, an ample margin of reserve supply available for an extension of bamboo pulp manufacture. In Burma, where supplies of bamboo are even more abundant, no paper mills have as yet been established.

The advantage of bamboo as a raw material in comparison with wood is that the cutting rotation is on an average 4 years as against 60 years for most species of wood. A disadvantage is that when bamboos seed, they die, and in any given area the supply may be curtailed for a period of 10 years. Bamboos seed 'gregariously' or 'sporadically' and the degree of sporadic seeding varies. Recent investigations indicate that the seeding of bamboos is more gradual than was at one time thought and does not extend to all species simultaneously. Further, the dead bamboo stems remain suitable for the manufacture of pulp for a considerable time, which tests have proved to be at least four years. The danger of a shortage of bamboo in any given area in consequence of seeding is, not, therefore, considered serious.

After bamboo, grass is the second most indigenous material used in India. The species used for the making of pulp is Sabai grass which is grown mainly in the United Provinces, Bihar, Orissa and the Punjab. Whilst bamboo is the principal material on which the future of the paper industry mainly depends, grass as a constituent of paper has a recognised value and will continue to be used in conjunction with other materials as a necessary ingredient in the manufacture of certain classes of paper for which special bulk or tensile strength is required, just as Esparto grass is used by a particular class of mills in the United Kingdom. It is probable that, with improvement in the quality of bamboo pulp, mills which can obtain supplies of both bamboo and grass, will to some extent substitute bamboo pulp for grass pulp on account of its relative cheapness. But in the United Provinces and the Punjab, where adequate supplies of bamboo are not available, grass must continue to be the chief raw material. Waste paper and paper and cloth cuttings are also used as ingredients in the manufacture of cheaper classes of paper to a small extent by bamboo and grass mills and to a greater extent by other mills. The quantity used was 5,908 tons in 1936-37. Supplies are obtained by mills through contractors mainly from large towns where sufficient quantities are available for the collection of different quali-

ties. White paper and paper cutting is the most requirement. Coloured papers are cut out from the white and used for the manufacture of inferior papers such as badami and brown packing. In most countries that make pulp, wood of the coniferous variety is the principal material used. In India, forests of coniferous trees—pine, spruce and fir—are available in the Himalayas, but difficulty of extraction and lack of transport facilities have hitherto stood in the way of the utilisation of wood for the manufacture of chemical pulp. It is doubtful if use can be made of spruce and fir on account of the inaccessibility of the areas in which they grow except in the Kashmir State. The possibilities of using pinewood are more promising. A number of auxiliary materials are used in the Indian industry. Some of them are indigenous; some have to be obtained from elsewhere. A limited quantity of wood pulp is imported either as bleached pulp ready for admixture with bleached indigenous pulp or as unbleached pulp which required bleaching along with other material. The chief qualities imported are bleached sulphite pulp, and easy bleaching and unbleached strong sulphite. Small quantities of special kinds of pulp such as aspen and kraft pulp are imported for special lines of paper.

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TICKETS

Tariff and Taxation

The following amendments have been made in the Federated Malay States Customs Tariff

Description of Goods.	New Duties.		Former Duties.	
	Full Duty.	Preferential Duty.	Full Duty.	Preferential Duties.
	\$ c.	\$ c.	\$ c.	\$ c.
11. Tobacco—				
(i) (i) Manufactured tobacco (excluding cigars, cigarettes and snuff) imported in containers of any kind for retail sale to the public per pound	135	125		
(ii) Not otherwise provided for per pound	110	110	135	125



Transport

GOODS

Introduction of station-to-station rates:—The following station-to-station rates have been introduced:—

Description of Goods.	Stations.		Rates per mdl.		
	From	To	Rs.	a.	p.
Hides, skins or pelts-common, dry or wet.	Vizagapatam Port	Madras	1	4	0
		Vaniyambadi	1	11	4
Myrobalan	Waltair	Madras	1	4	0
		Vaniyambadi	1	11	4
	Cocanada Port	Madras	0	10	0
	Cocanada Town	Do.	0	10	0
	Vizagapatam Port	Do.	0	10	3
	Vizagapatam Town	Do.	0	10	3
Preserves (fish, fruit, meat and vegetables)	Bezawada	Madras	0	14	10
		Do.	0	10	3
Slates in tiles or slabs	Cumbum	Poona (M. S. M.)	0	12	3

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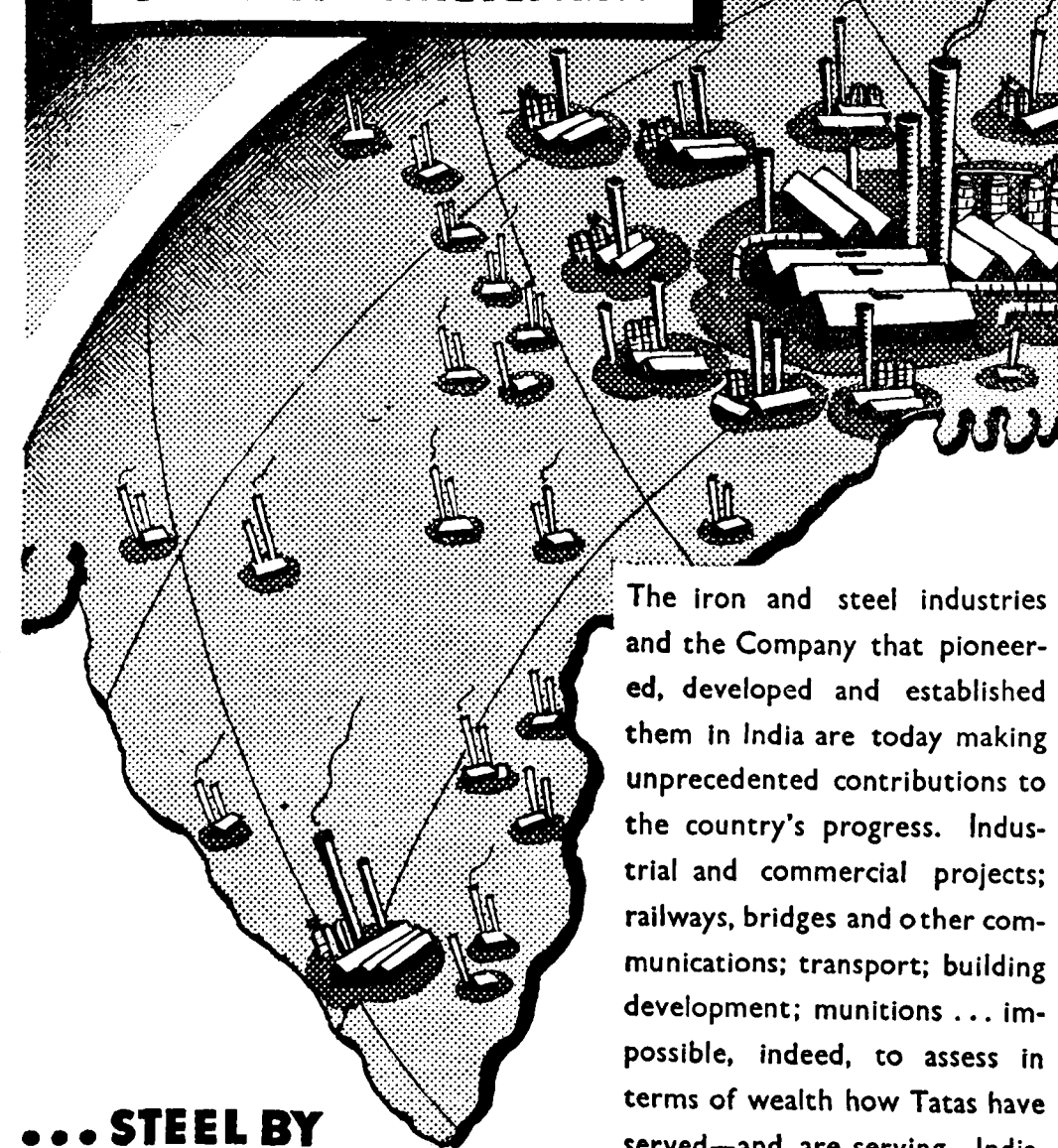
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Banking, Insurance and Finance

Current and Time Deposits of Scheduled Banks in India and Burma (In Lakhs of Rupees)

	Current Deposits.				Time Deposits.				Total.			
	1938	1939	1940	1941	1938	1939	1940	1941	1938	1939	1940	1941
January	130.19	128.93	145.63	178.01	110.00	108.50	108.42	101.88	240.19	237.43	254.05	279.89
February	129.03	127.37	151.38		110.13	108.29	108.88		239.16	235.66	259.26	
March	128.58	130.66	150.37		108.27	107.29	108.88		236.85	237.95	259.25	
April	128.04	128.61	149.82		110.09	108.50	113.23		238.13	237.11	263.05	
May	127.28	129.49	145.42		110.43	108.96	112.13		237.71	238.45	257.55	
June	127.14	131.90	143.93		107.70	109.12	107.75		234.84	231.02	251.68	
July	129.71	140.74	153.48		107.11	107.39	106.60		236.82	248.13	260.08	
August	129.27	141.39	160.60		106.97	106.46	101.88		236.24	247.85	262.48	
September	131.16	139.19	165.49		101.21	102.10	101.36		232.37	241.29	266.85	
October	134.21	140.81	170.11		106.30	99.75	100.67		240.51	240.56	270.78	
November	134.68	145.04	175.47		106.12	101.82	100.63		240.80	246.86	276.10	
December	130.15	146.57	178.87		108.44	104.76	100.44		238.59	251.33	279.31	

Madras Clearing House Returns (In Lakhs of Rupees)

Year.	Amount.	Year.	Amount.	1940	1941
1918-19	25.48	1928-29	65.73	January	857
1919-20	33.95	1929-30	82.19	February	851
1920-21	75.79	1930-31	50.36	March	1,444
1921-22	39.54	1931-32	43.97	April	875
1922-23	45.13	1932-33	48.85	May	1,127
1923-24	55.41	1933-34	53.19	June	839
1924-25	55.96	1934-35	56.22	July	721
1925-26	56.80	1935-36	69.23	August	479
1926-27	54.53	1936-37	91.39	September	781
1927-28	59.79	1937-38	104.05	October	791
		1938-39	127.48	November	1,006
				December	957

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

	1938	1939	1940		
January	3,270	6,495	11,438	Total Purchase of Sterling in 1933	27,900
February	4,945	1,000	7,798	" " 1934	46,459
March	4,667	2,465	9,867	" " 1935	28,961
April	18	2,280	2,314	" " 1936	42,699
May	Nil	Nil	4,885	" " 1937	33,946
June	Nil	2,375	5,765		
July	415	Nil	4		
August	255	3,520			
September	630	8,460			
October	1,530	10,393			
November	1,135	8,445			
December	1,193	9,920			
Total...	18,058	55,353			

GOLD EXPORTS FROM INDIA (In Thousands of Rupees)

	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
	374,812,851	751,752,232	512,548,810	805,074,489	442,227,000	2,71,71	2,38,62	1,54,37	6,54	8,12,27
January	2,71,71	2,38,62	1,54,37	6,54	8,12,27	2,63,80	1,15,09	1,99,39	97,38	5,85,00
February	2,63,80	1,15,09	1,99,39	97,38	5,85,00	2,08,42	1,19,26	80,60	1,50,12	
March	2,08,42	1,19,26	80,60	1,50,12		2,79,88	1,83,27	1,24,04	1,04,02	
April	2,79,88	1,83,27	1,24,04	1,04,02		3,28,06	1,47,13	1,10,36	1,27,27	
May	3,28,06	1,47,13	1,10,36	1,27,27		2,79,58	81,52	70,17	73,32	
June	2,79,58	81,52	70,17	73,32		4,04,83	2,40,27	3,05,05	3,04,76	
July	4,04,83	2,40,27	3,05,05	3,04,76		2,25,74	1,44,01	2,01,15	1,53,82	
August	2,25,74	1,44,01	2,01,15	1,53,82		2,21,31	1,44,81	30,20	1,65,17	
September	2,21,31	1,44,81	30,20	1,65,17		2,19,07	1,30,46	2,15,90	4,88,76	
October	2,19,07	1,30,46	2,15,90	4,88,76		3,58,28	1,17,57	68,20	2,47,57	
November	3,58,28	1,17,57	68,20	2,47,57		1,55,71	1,65,73	38	3,87,08	
December	1,55,71	1,65,73	38	3,87,08						
Total	33,15,94	18,27,74	15,59,81	23,05,81						

CURRENCY NOTES ISSUED IN INDIA AND BURMA (In Crores of Rupees)

	1936	1937	1938	1939	1940
January	194	204	213	293	254
February	194	208	213	205	252
March	195	208	214	207	253
April	195	208	214	207	252
May	196	207	214	207	257
June	198	208	214	211	256
July	201	212	213	214	264
August	202	213	215	223	260
September	203	213	212	228	258
October	203	214	209	248	256
November	202	214	208	221	256
December	201	214	206	253	225

Market Reports

MADRAS (3-2-1941)

Cotton Yarn—			
80's (5 lb. bundle)	Rs. A. P.		
Madura Mills	7 13 0		
60's (5 lb. bundle)			
Coimbatore Pioneers	6 0 0		
"Laxmi"	5 15 6		
Madura Mills	6 2 0		
40's (10 lb. bundle)			
Coimbatore Mills	6 4 0		
30's (5 lb. bundle)			
Madura Mills	3 0 0		
20's (10 lb. bundle)			
Coimbatore Mills	4 3 0		
Madura Mills	5 0 0		
Cement—			
Gillingham "Hand" Brand (per cask)	20 0 0		
(per bag of 94 lbs.)	5 0 0		
"Nilgiri" Brand	1 11 0		
A. C. C.	1 11 0		
"Dalmia"	1 11 0		
Metals—			
Yellow Metal Sheets "Dittman" 500 lbs.	280 0 0		
"I. C. C."	280 0 0		
Copper Sheets	370 0 0		
Tanned Hides—			
Bangalore—8 to 8½ per lb.	0 12 0 to 0 12 6		
Up Countries	0 11 6 to 0 12 0		
Coasts—7 to 7½ lbs.	0 12 0 to 0 12 3		
Tanned Goat—			
Good, per lb.	1 4 0 to 1 5 0		
Fair, "	1 2 0 to 1 4 0		
Common, "	1 1 0 to 1 2 0		
Tanned Sheep—			
Good, per lb.	1 4 0 to 1 5 0		
Fair, "	1 2 0 to 1 3 0		
Common, "	1 1 0 to 1 2 0		
Oil Seeds—			
Groundnuts, Machined (531 lbs.)	21 0 0		
Castor Seeds	Not quoted		
Produce—			
Rice, Rangoon—Raw, Broken (220 lbs.)	11 8 0		
" Calcutta (Nagara) boiled (164 lbs.)	10 8 0		
Jaggery, 500 lbs. 1st quality	22 0 0		
" 2nd quality	18 0 0		
Horsegram, bag of 216 lbs.	5 10 0		
Turmeric, baram of 500 lbs.	46 0 0		
Pepper, Tellicherry (pure) 25 lbs.	3 2 0		
" Bydgi	4 9 0		
Ginger, Dry (Calicut) 500 lbs.	70 0 0		
Tobacco leaf, Cigar & Chewing quality (500 lbs.)	140 0 0		
" Snuff quality (500 lbs.)	130 to 160		
Salt, bag of 2 maunds	3 10 0		
Pure Ghee, tin of 37½ lbs.	20 0 0		

BANGALORE (3-2-1941)

(By The Mysore Chamber of Commerce)

Silk—The market continues to be normal with moderate supply and demand. Rates remain almost unchanged.

	Rs. A. P.	Rs. A. P.
Sidlaghatta silk per seer of 26½ tolas	4 10 0 to 4 12 0	
Closepet	3 8 0 to 3 12 0	
Chickballapur	4 6 0 to 4 8 0	
Kyalanur	4 6 0 to 4 8 0	
Mudavadi	4 0 0 to 4 2 0	
Channapatna	3 8 0 to 3 12 0	
Kollegal per maund 1000 tolas	125 0 0 to 160 0 0	
Silk-waste 28 lbs.	6 12 0 to 7 4 0	

BOMBAY

(31-1-1941)

(By The Millowners' Association, Bombay)

PIECE-GOODS.

Grey, Unbleached—	inch.	yds.	lbs.	Per lb.	Rs. A. P.
Longcloth (Standard Quality)	37	37½	9	"	0 10 9
" (Fine Quality)	44	38	7½	"	1 0 5
Shirtings	35	38	9	"	0 9 10
" (Vegetable Quality)	37	37½	9	"	0 9 10
Leopard Cloth	43	38	11½	"	0 10 1
Dhoties (upto ¾" nakhi Border)	32	9	1½	"	0 10 0
" (Calcutta, ¾" P. B.)	44	10	1½	"	1 1 0
Drills	29½	40	13½	"	0 10 3
Domestics	35	40	13½	"	0 9 1
"	35	40	12	"	0 8 7
Salitra	40	66	25	"	0 9 6
Chadars	50	6	2½	"	0 10 6
White, Bleached—					
Longcloth	34	40	Per Piece		13 12 0
Drill	27	42	"		9 9 4
Yarn—					
4s (All Waste)	...	...	Per lb.		0 4 2
6½s (")	...	...	"		0 4 7
8½s	...	...	"		0 5 10
10½s	...	...	"		0 6 3
12½s	...	...	"		0 6 6
16s	...	...	"		0 7 10
20s	...	...	"		0 8 4
24s	...	...	"		0 8 11
32s	...	...	"		0 10 3
40s	...	...	"		0 11 2
60s	...	...	"		1 2 3
80s	...	...	"		1 11 2

(Continued on page 26)

Proceedings of Public Bodies

Southern India Chamber of Commerce

The Chamber has, in a communication addressed to the Government of India, drawn their attention to the position of taxation in Madras with regard to the taxes on professions, trades, callings and employments levied under Provincial laws by virtue of the amendment of Government of India Act, 1935. The amendment (insertion of new Section 142 A) while limiting the said tax to a maximum of Rs. 50, in some provinces left it untouched in other provinces, with the result that the maximum remains at Rs. 1,000 a year in the city of Madras and Rs. 550 in the mofussil. The Chamber has suggested that in order to avoid such differential taxation between province and province the Central Government should undertake legislation to apply the maximum limit of Rs. 50 uniformly to all provinces whether levied by the Local Government or Municipalities or Local Boards. Owing to a variety of new taxes and enhancement of old taxation the buying power of the masses has diminished and the taxable capacity of merchants has gone down very much. The Chamber has therefore pointed out that relief under this head of taxation might be given to the people very early.

MEETING WITH SIR R. K. SHANMUKHAM:

The Committee of the Chamber met Sir R. K. Shanmukham Chetty, Dewan of Cochin, on the 10th January 1941 at the office of the Chamber. Khan Bahadur Adam Hajee Mohamed Sait, President of the Chamber, in a short speech testified to the keen interest evinced by Sir Shanmukham Chetty in the mercantile community and recalled the able manner in which he represented the interests of the community in the Central Assembly and at the Conferences in Geneva and Ottawa. He also referred to the development of new industries in Cochin and the successful way in which the problem of agricultural indebtedness was being dealt with in the State. Reference was also made to the development of the Cochin Port and to the necessity of keeping down the harbour dues and to the requirement of facilities over the railway such as special rates and connection between Kollengode and Trichur.

Sir Shanmukham thanked the Chamber for the welcome. He said that Governments all over have begun to take a greater interest in industrial, commercial and economic development.

Chambers of Commerce, he said, should give accurate information and keep a regular watch on the various economical, industrial and other matters brought by Government from time to time and advise the representative on their true implications as it affected the country. With regard to the Port of Cochin he said that it was a natural port and its development would not affect the trade of other major ports but might affect minor ports. The development of the Cochin Port is not in rivalry with other ports but is only supplementing other ports to cater to the trade of South India. Continuing he said that the railways should be more generous in the general interests of the country instead of becoming too self-centered. Khan Bahadur Adam Hajee Mohamed Sait entertained the guest to tea.

GROUNDNUT CONFERENCE:

The following is the presidential address of Khan Bahadur Adam Hajee Mohamed Sait, at the Groundnut Conference held at the Indian Chamber Buildings, Madras, under the auspices of the Southern India Chamber of Commerce on Monday the 20th January, 1941 at 3 P.M.:

Gentlemen,

Let me first of all thank you for your prompt response to the invitation of the Chamber to attend this Conference. You have come over long distances for this purpose at great inconvenience which shows clearly how deeply you feel the helplessness of the groundnut trade at the present moment. I also express the grateful thanks of the Chamber to the Kumararajah of Chettinad and other members of the Export Advisory Council who have been good enough time and again to agitate the question at the meetings both of the Export Advisory Council and the Madras Port Committee. Let me also thank Mr. Sami Venkatachalam Chetty and Mr. Krishnamachari, our spokesmen in the legislatures, for the keen interest they have been taking in this matter and for attending this meeting to-day. I am particularly glad that representatives of European and Indian shippers have also been good enough to respond to our invitation, as it is an evidence of the identity of their interest with the prosperity and well-being of the vast masses who are interested in the cultivation and handling of groundnut. I am sure that they will be good enough to explain their standpoint with

regard to the burning question of the trade to-day.

Taking the pre-war year of 1938-39 India produced 32 lakhs of tons of unshelled groundnut, of which nearly 8½ lakhs of tons of kernels of the value of nearly Rs. 10 crores were exported. The peculiarity of the importance of the groundnut trade in Madras is the fact that in that year about 92 per cent of the export of the whole country was made from the Madras Province, showing how much dependent we are on the export trade to foreign countries for a healthy tone in the groundnut market. We can also realise how much this dependence on foreign markets must have made our position more helpless by the loss of nearly all the principal foreign markets except the United Kingdom. In 1938-39 the export to France, Belgium, Italy, Germany and Netherlands amounted to nearly 70 per cent of the total export trade. All these markets have now been lost, more particularly after June 1940 when the doors of France were closed and barricaded. Since the total collapse occurred only in June 1940 the figures of the export trade of 1939-40 do not fully reflect the helplessness of the present position.

The groundnut trade just like the other trades has been subjected to various restrictions which have resulted in leaving the Food Ministry almost the sole buyer in the market. There are shipments taking place to Burma and Malaya, but they are comparatively small and negligible. The groundnut trade has therefore to look to the British Ministry and insist that as other buyers have been shut out for political reasons, they have to buy substantial quantities of the supply available in the market, either as oil or as kernels or as unshelled seeds, and such purchases ought to be above a certain minimum price.

Government of India in consultation with the Food Ministry were good enough to accede to the last mentioned request and were able to fix the minimum limit of £10 per ton with effect from September last. The market felt it as a great boon, and prices were for the moment sustained at a reasonable level. But Government having not agreed to the other request of enlarging their purchase, it naturally resulted in making the minimum price ineffective, so that the groundnut price which before the fall of France stood round about Rs. 36 per candy has dwindled down and has reached at present as low a level as Rs. 20 at the ports. What do the cultivators get out of the Rs. 20?

It is reported that after meeting railway handling charges, market dues, decoy charges, interest, commission, and so on, the cultivators get Rs. 12 to Rs. 13 per candy according to the nearness of the village to the sea port. That is a most deplorable state of things. Be it remembered that Rs. 12 hardly pays harvesting expenses in certain hard soils. An unirrigated crop of groundnut cannot be raised at less than Rs. 20 per candy and an irrigated crop is bound to cost Rs. 3 to Rs. 4 extra. Just think of the ruin with which the cultivators are faced in the present plight of the export trade.

The Hon'ble Sir Ramaswamy Mudaliar was good enough to convene a Groundnut Conference in September last when he came to Madras, and various suggestions were made at the Conference for dealing with the situation. But no remedies are yet in evidence. The margarine factories have still not enlarged their purchases substantially. There has been no organised attempt to popularise oil and cake in the neighbouring countries. There has been no remission of taxes. These developments came all too late for the cultivator to reduce his acreage during the season. There are indeed

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other difficulties of the trade such as results about refraction allowances, analysis non-standardised dealings, refusal of licences for export to neutral and Empire countries and so on. It is true that the fall in price has induced an increase in internal consumption, but that is far from relieving the market.

I am glad that the country-wide agitation about the present plight of the groundnut trade has received prompt attention from the Government and discussions with His Majesty's Government are proceeding. It is also reported that arrangement has been reached between the Food Ministry and the Government of India for creating a fund for the benefit of the agriculturists from the proceeds of a rebate of 25 shillings per ton from South Indian shipments and of 15 shillings per ton from Bombay shipments. It is for this Conference to con-

sider how far this step would give effective relief to the market, and if not how the terms of the settlement may be modified. It would appear that Government have not considered the suggestion of the Chamber that the circle of shippers should be enlarged by a liberalisation of the quota system so that new shippers may also be allowed to tender supplies to the Food Ministry and to other buyers. It is for you to consider how far it is absolutely necessary to obtain a revision of Government policy on the point.

THE HON'BLE SIR G. S. BAJPAI:

The Committee of the Chamber met the Hon'ble Sir G. S. Bajpai, Member, Viceroy's Executive Council, at the office of the Chamber on the 21st January 1941 at 11 a.m. and discussed with him problems relating to Indians overseas particularly these relating to Burma, Ceylon and Indo-China. The opportunity was also availed of by the Chamber for discussing with him the need for constituting Provincial Forest Utilisation Advisory Committees on the lines of the Central Forest Utilisation Advisory Committee. The question of India becoming self-sufficient in her requirements of quinine was also referred to by the Chamber in their memorandum. The Hon'ble Member in the course of the reply said:

With regard to Burma there are two issues—One, the question of the present population and the other the question of future emigrants. Government of India have been doing their best to safeguard the interests of the Indian population settled in Burma. Similarly the question of future emigrants will depend upon the Baxter Committee Report which is yet to issue. Meanwhile Government of India is maintaining intimate touch with representatives of the Burma Government and Governor General's Agent with a view to watch all developments.

Government of India are sorry for the breakdown of the negotiations with the Ceylon representatives in November last, but would always be ready for a settlement on honourable terms. The reasons for the breakdown

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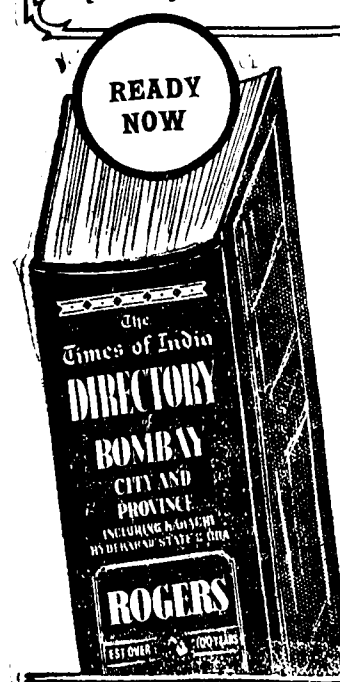
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Proceedings of Public Bodies

of the informal conversations should soon be made public who could then judge for themselves the causes of the breakdown. The question of granting higher status to the Indian Agent would also receive attention at the appropriate moment. He reminded the Chamber of the policy of appointing senior officers to such positions which the Government of India had already adopted. The primary responsibility of the Agent in Ceylon to look after labour interest necessitated his retention in Kandy.

The question of Indian interests in Indo-China and Thailand is in the portfolio of His Excellency the Viceroy and he will communicate the anxiety of the Chamber to the Department concerned. However he was assured by the recent Thailand Goodwill Mission of perfect security to the interests of Indians now in Thailand.

The Central Advisory Forest Utilisation Board was doing useful work in co-ordinating science and industry and he expected that the industrial interests will quickly respond to the findings of the Board. He agreed with the Chamber that Provincial Governments should have corresponding Local Boards and Government of India took every opportunity of inducing them to establish them.

He appreciated the Chamber's view that India should eventually become self-sufficient in the matter of Cinchona supply; an important question was the cost of production, cheapness being the paramount need. As after the reforms the matter has become a purely provincial subject the task of the Central Government to co-ordinate provincial policies is not an easy one. The experiments recommended by Mr. Wilson, Cinchona Superintendent of Madras, were closely examined by the Government of India and the delay in starting the experiments recommended by him was entirely due to their expensive nature. He again thanked the Chairman and members for the opportunity of meeting them.

(Continued from

COCANADA

(30-1-1941)

(By The Godavari Chamber of Commerce)

	Rs.	A.	P.
Per bag of 166 lbs. nett Loose			
Sarva Paddy	...	5	14 0
Dalva Paddy	...		Not quoted
Garikisannam Paddy	...		Not quoted
Per bag of 164 lbs. nett Loose			
Raw Rice No. 1 (Mill) With gunny	...	13	2 0
Horse Gram with gunny	...	4	3 0
Bhoot Gram	...		Not quoted
Green Gram	...	7	0 0
Black Gram	...	7	8 0
Red Gram big	...	5	4 0
Raggy	...	1	0 0
Fenugreek	...	1	0 0
Mustard	...	10	0 0
Coriander Seed	...	11	0 0
Castor Poonac Loose	...		Not quoted
Gingellyseed Pyru with gunny	...		Not quoted
Cottonseed per bag of 150 lbs. nett with gunny	...		Not quoted
Per Candy of 500 lbs. nett			
Cane Jaggery	...	17	8 0
Chillies Country Loose	...	3	12 0
Turmeric	...	1	8 0
Castor Oil (Factory)	...	66	0 0
Coconut Oil	...	4	9 0
Groundnut Oil	...	50	0 0
Ghee No. 1	...	220	0 0
Per Candy of 550 lbs. nett			
Gunnies H. C. 40x28	...	34	12 0
Chittivalsa D. W. 40x28	...	29	12 6
Yellow Metal Sheets 20 to 60 lbs. per ton	...	1,300	0 0
Parry & Co. Sugar per bag of 226½ lbs. includ- ing Gunny	...	27	0 0
Gold Musa per tola	...	41	8 0
Horse Sovereigns each	...	28	11 0
Silver Bullion per 100 Tolas	...	64	4 0

NOTICE

Attention of members is drawn to the provisions of the War Risk (goods) Insurance Ordinance 1940 under which goods have to be covered by insurance. The scheme has been made compulsory from November 1940. Evasions to insurance will bring them under the penal provisions of the Ordinance.

News and Notes

The proposal to take over the telephone system of Madras, Calcutta, Bombay and Karachi by Government is handicapped by some legal difficulties. Accordingly Government proposed to form a private limited company with Government Officers as Directors, particularly the Secretary, Communication Department, Controller-General of Purchase in the Supply Department and Chief Controller of Stores. The new arrangement may fructify by the middle of 1941 if not earlier.

IMPORT TRADE CONTROL:

To conserve dollar exchange the Government of India have decided to include Potassium and Sodium Bichromates and other Chrome compounds (excluding barium, lead and zinc chromates) in the list of goods which are subject to the import trade control. The bulk of the imports of these articles into India has been from difficult currency countries but the Government of India now understand that adequate supplies are available from United Kingdom and other soft currency countries, which combined with the Indian production will it is considered be quite sufficient to meet India's requirement.

ENGLISH IMPORTERS FINED:

In 1939 the High Commissioner for India informed the Agricultural Marketing Adviser of the complaints made by certain importers in England that the curry powder obtained from India contained appreciable quantities of lead. As under the English Pure Food legislation, the addition of any metallic substance to foodstuffs is prohibited, a few merchants dealing in the imported curry powder were fined. On further inquiries by the Marketing staff, it was found that curry powder sold in Madras and Bombay contained lead and, in one instance, the proportion of lead was as high as 16 parts in a million. This was, therefore, brought to the notice of the Public Health Commissioner with the Government of India, who agreed to place the matter before the Central Committee for Food Standards when it was formed. Meanwhile he drew the attention of the Provincial Health authorities to the existence of this kind of adulteration. Government of Madras have recently notified that turmeric shall be free from lead and other artificial colouring matter and shall not contain lead

more than 5 parts per million. Fines ranging from Rs. 100 to Rs. 500 will be levied per offenders.

FOOD ADULTERATION:

Curry powder sold in Delhi has been found to be adulterated with lead. The Chief Health Officer, Delhi Province, who has found two samples out of four of curry powder contaminated with lead to the extent of 40 and 50 parts per million. He has taken up the matter with the Chief Commissioner of Delhi and suggested that steps may be taken to prohibit the addition of lead in any form and in any proportion to any article of food. Such adulteration is suspected in Bombay and Madras. As it is considered likely that turmeric powder, one of the ingredients in making curry powder, might be mixed with lead, the Chief Marketing Officer, Bombay, has arranged for an analysis of market samples of turmeric powder.

STATE MANAGEMENT OF RAILWAYS:

After the refusal of the Government in 1937 to give notice to the M. & S. M. Ry. and B. N. Ry. for termination of agreement after one year it is refreshing to note that Government have given notice to the B. B. C. I. and the Assam Bengal Railways about the termination of their agreement on 31st December 1941. With those two railways about 34,560 miles of Indian railways would have come under State management out of a total of 41,133 miles. Many improvements are waiting for this development to complete as for instance re-grouping of administration into more economic units, introduction of telescopic rates, reduction of overhead charges, uniformity of gauges, and uniformity in routing of traffic on national or economic grounds.

IMPORT TRADE CONTROL ON PAPER AND PASTEBOARD:

Paper (excluding newsprint) and pasteboard also are to be brought on to the list of goods which are subject to import trade control. Before the outbreak of war imports of paper and pasteboard were mostly from the Scandinavian countries, Germany and Austria. With the cutting of Scandinavian supplies, the position now is that the bulk of these imports arrive from difficult currency countries. In particular, there has been a remarkable

News & Notes

diversion of trade to North American countries, involving expenditure at the rate of nearly one crore of rupees per annum. The Government of India have come to the conclusion that Indian production, combined with imports from easy currency countries, will be able to meet reasonable Indian requirements to such an extent as to make a reduction of other imports feasible and the dollar exchange thus saved can be usefully employed for war purposes.

The following are the restrictions:

- 24-A Writing paper, all sorts ... 44
- 24-B Printing paper, excluding poster and stereo and all coated papers, but including art paper, all sorts which contain no mechanical wood pulp or in which the mechanical wood pulp amounts to less than 70 per cent of the fibre content ... 44 (1)
- 24-C Printing paper, all sorts not otherwise specified which contain mechanical wood pulp amounting to not less than 70 per cent of the fibre content, excluding newsprint all sorts ... 44 (2)
- 24-D Paper including poster and stereo and all coated papers except art paper, all sorts, not otherwise specified ... 44 (3)
- 24-E Pasteboard, millboard, cardboard and strawboard, all sorts 44 (4)

2. This notification will not apply to goods which have been despatched on through consignment to India before the 7th January 1941.

SHIPMENT OF WOOL TO THE UNITED KINGDOM

The following Press Note has been issued by the Government of India: Hitherto permission to export black and grey wool to the United Kingdom has been confined to 'ginned' and 'burry' wool certified as unfit for the use of mills engaged on Government orders and certain types of short stapled limed wools and red sheep "hair".

The Government have now decided to permit the shipment, to the United Kingdom, of the following varieties of South Indian black and grey wool, provided these are either not required by the Government buying agents (Messrs. Binny and Company) for meeting demands of mills engaged in Government work, or are considered as unsuitable for the above purpose:—

1. Limed Grey.
2. Limed Black.
3. Limed Buff.
4. Pulled Grey "B"
5. Pulled Black "B"
6. Low Grade Shorn Wools.

The procedure for giving effect to the above relaxation will be as follows:—

- (a) The export of such wools will be allowed only from the ports of Bombay and Madras. When the Government Agents, i.e., Messrs. Binny and Company, are offered any black and grey wools which they do not require for meeting the demand of the mills engaged on Government work, or which they consider is unsuitable for this purpose, they will report the facts in regard to the particular consignment concerned to the Government of India in the Department of Supply. At the same time, the Government Agents will retain adequate samples of each of the consignments concerned.
- (b) On receipt of the report, the Government of India in the Department of Supply will, at their discretion, permit or refuse export. The orders granting such permits will be issued direct from the Department of Supply to the shippers.
- (c) Shipment will then be allowed by Export Trade Controllers after verifying that the consignments offered for shipment correspond to the samples forwarded to them by the buying agent.

It should be made known to the public that the Government of India have decided to permit the shipment of South Indian black and grey wool to the United Kingdom, provided these are either not required by the Government buying agents (Messrs. Binny and Company) for meeting demands of mills engaged in Government work, or are considered as unsuitable for the above purpose.

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SOUTHERN INDIA COMMERCE



FEBRUARY 1941

The Indian Railway Budget

The Answer to Air Menace

Review of the Month

Paper Industry in India

Restriction of Groundnut Cultivation

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SOUTHERN INDIA COMMERCE

FEBRUARY 1941

No. 2

The Indian Railway Budget

The Railway Member has been all too brief in his speech this year in introducing the Railway Budget. He was perhaps afraid that if he were too loquacious he would be drawn out into inconvenient explanations and false hopes. Besides, in his exultation of having reaped a heavy harvest of surplus, he must have been short of words.

For 1939-40 he had estimated a surplus of 3.61 lakhs as against 1.37 lakhs in the previous year. However he realised a surplus of 4.39 lakhs. For 1940-41 he estimated last year a surplus of 8.29 lakhs (including 5.25 lakhs expected from increase in rates and fares). However he now estimates that the surplus will be 14.59 lakhs instead. His estimate of surplus for 1941-42 is 11.83 lakhs. He has been consistently under-estimating very successfully, although he appeared to be so meticulously and correctly calculating the revenue and expenditure as even to assess the decreased earnings for one day owing to February having only 28 days. In lean years the railway administration successfully opposed economy, because they could with great facility raid the Depreciation Fund and starve the General Budget and arm themselves afterwards with a moratorium. The Railway Member is however at his wit's end in handling the new-found surplus of Rs. 14½ crores in the current year. The theory of relief is very strange. By an unwarranted burden on the passenger and perishables and goods traffic whose consumption is by the general public he seeks to avoid tax on the public. Is it relief? What about the dictum that the war burden should be mainly borne by loan and not by taxation? In fat years the Government are equally happy in successfully opposing reduction of charges as the obligations to the Depreciation Fund and the General Budget are trotted out in all earnestness and sincerity in the abundance of their sympathy for the tax-payer. The moratorium is now brushed aside and the justification for maintaining the temporary surcharge on rates and fares is advanced for relieving the tax-payer. It now becomes clear that this time

last year, if the Railway Member were making a correct estimate of 1941-42 position he could have made over Rs. 5.31 lakhs of contribution to the General Revenues without any increase in rates and fares for which he wanted it. The increase in rates and fares has brought in just an amount which has now proved to be an unexpected surplus. An abnormal surplus is an evil in itself in public finance as it keeps out of the pockets of people an amount which would otherwise fructify there. Gopala Krishna Gokhale used to call it a crime. Notwithstanding the moratorium the normal payments to General Revenues and the Depreciation Fund have been resumed and extra payments are being made lavishly. During the current year and next year the payment to the General Budget is Rs. 9.96 crores + Rs. 10.18 crores besides an advance of Rs. 1.25 crores for 1942-43; the payment to the Depreciation Fund during the two years will be Rs. 12.64 crores + Rs. 12.68 crores. The Depreciation Fund will then swell to 71.39 crores with the 30 crores loan taken in lean years. The appetite of this Fund grows with what it consumes and where is the end? On the top of it comes the plea for another Reserve called Railway Reserve which will amount to Rs. 5.71 crores at the end of 1941-42.

The Communications Member has not a word to say about the loss of Rs. 1½ crores on strategic railways which should really be debited to the Military Budget. Nor is there any mention or estimate of the cost of concessions to the Military officers or Military materials or of the diversion of railway workshop activities to war work. There is not a tear of sympathy for the helplessness of India in starting the locomotive industry. He admits that the increased returns from rates and fares was entirely due to the transport done directly or indirectly for war purposes, showing how much the normal trade of the country is reacting to the increase in rates and fares. He had a shrewd suspicion even last year that the surpluses in the oncoming years would appear inconveniently large, and therefore began ad-

The Indian Railway Budget

justments in accounts in right time. In one item of capital works, expenditure of Rs. 10,000 and below is being charged under the new procedure to revenue expenditure rather than to capital expenditure. Thirty lakhs of rupees of capital expenditure has been so diverted according to his estimate of last year. Very prudently he declines to make any reference to it this year. Neither does he refer to any saving that is likely to accrue in interest charges by reason of the new Sterling Loan Repatriation Scheme, although he had the greatest reason to refer to it this year rather than in the previous years.

The Communications Member treads on controversial ground when he goes on to enunciate Government's position vis-a-vis the question of State management vs. Company management. He is at great pains to show the futility of State management and issues a warning to the public of India not to persist in their demand for State management. Perhaps it is a feeler to the public and he does not disclose what his alternative scheme is.

Another most controversial part of his speech is his plea for scrapping branch lines. He was bold enough to admit that the immediate interest for scrapping is for war purposes, and he makes an adroit suggestion for writing off capital cost of the lines against recoveries from the British Government and at the cost of the Depreciation Fund on estimates of previous contributions to the Depreciation Fund. Such adroitness is worthy of some reconstruction proposal in respect of those lines by which they could appear in the books more remunerative, as even the all-white Wedgewood Committee made it clear that there was a serious over-capitalisation of railways in the books. The up-shot of his argument is that the materials are required for emergent war purposes and the lines should be dug up. He consoles himself in his sympathy for the public by pointing to the alternative of motor transport. Neither the Memorandum nor his Deputy's speech in the Council of State makes it clear what are the lines either already dismantled or going to be dismantled. Until that is known the public must hold their soul in peace. The only relief from the plenitude of surplus fund available in 1941-42 is in respect of coal and coke for which 5 per cent of the surcharge during the months April to October is being removed.

FRESH TAXATION PROSPECTS

On the 28th February the Budget mates for 1941-42 will be presented to the Central Legislature and everyone who can understand the financial situation in the country is awaiting the event with suspense and anxiety. The importance of an efficient defence policy cannot be too much emphasised, which means that the Government's demands for the necessary funds cannot be rejected. It is, however, equally important that the economic distress in the country should not be aggravated, and the people called upon to shoulder a heavier burden of taxation than already exists. Mr. Chunilal B. Mehta, ex-President of the Indian Merchant's Chamber, Bombay, speaking the other day at the annual general meeting of the Chamber, declared that the war has already meant an increased taxation to the tune of about Rs. 18 crores per annum in India under the following heads: Excess Profits Tax Rs. 3 crores, increase in excise duty on sugar Rs. 1.9 crores, increase in duty on motor spirit Rs. 1.4 crores, surcharge on incometax and supertax Rs. 5 crores, increase in postal rates Rs. 1 crore, and Rs. 5.2 crores indirect tax by a surcharge on railway rates and fares. This is so far as the Central Government is concerned. Provincial Governments too have had their own share of additional taxation, and may have far heavier impositions in the near future. It is an unwise policy to kill the goose which lays the golden egg, and the people in India, we presume, have a right to be respected in their desire to survive the war. Let the theoretical economist find out whether India has reached the maximum taxable capacity; for the time being it requires only a heart, a human heart, to feel that the masses in India, on whom ultimately would fall every burden of taxation, have reached the saturation point. Government must borrow and spend for defence purposes. The 3 percent Defence Loan 1946 brought them in cash subscriptions Rs. 30 crores. The second loan that is now issued, unlimited as to amount, may be expected to be as successful as the first, although India's public debt position on 31st March 1940 with a rupee funded debt amounting to Rs. 450 crores and sterling debt to £280 millions, is not very cheerful. But between taxation and public borrowing, the latter is decidedly better, provided periods of maturity are spread over a series of years.

Review of the Month

It passes our comprehension why anyone should speculate on the prospect of an invasion of Britain by Germany. Nobody is in the habit making plans as to what he should do when he is, on some indefinite date, going to have a calamity. We refuse to think even people in England are really too deeply absorbed in the invasion scare as some of the outside arm-chair speculators lately are. We are sure either they are a set of fifth columnists who seek to demoralise the mass mind in India by keeping it in a state of perpetual fright, or they are after some self-seeking which can be achieved only by keeping the public in a certain frame of mind, manifesting an easy, uncritical disposition to accept any distress as inevitable.

The Government must keep itself free from all responsibility for the promotion and spread of such a scare and must put down this tendency in anyone who is out to fish in troubled waters. No sane person desires to be told, much less to be reminded again and again, that Britain is in a dangerous position. The only result of the war scare will be that it will conduce to the spread of a sort of cynicism in the public mind that the scare is, after all, a propaganda to divert the public mind from the growing economic distress in the country and the heavy taxation that has been added to it, like adding insult to injury.

* * * *

For the new year has not commenced for India with any cheerful outlook in respect of her commerce, industries or finances. The war has led to the disappearance of almost all the European markets, representing in value, on an average, 22 per cent of the total Indian exports of principal commodities and a loss of about 18 per cent of the total value of the total Indian export trade of all commodities with all countries. The war has also meant an increased taxation to the tune of about Rs. 18 crores per annum in India. On the top of this must inevitably come an additional dose of fresh taxation by the Central Government when the budget estimate for 1941-42 is presented. For a poor country like India this is terrible, and any peace that is maintained here is a "peace of nerves" similar to the "war of nerves" which Hitler is waging in Europe.

* * * *

The Second Labour Conference met at Calcutta in the first week of January. The Labour Ministers from the Provinces and repre-

sentatives of employers and workers in India attended. The Conference reconsidered such subjects as industrial disputes, holidays with pay, and shops legislation, which had already been considered by the First Labour Conference in January 1940 and discussed afresh the subject of maternity benefits in coal mines. The Conference, however, did not arrive at any decision on the question of co-ordination in the economic and industrial sphere between British Indian Provinces on the one side and the Indian States on the other. It was with a view to bring about such co-ordination that the Whitley Commission suggested an organisation like an Industrial Council and this suggestion had been endorsed by the Joint Parliamentary Committee and the Government of India Act 1935. Even at the last Lucknow session of the Industries Conference Sir. Ramaswami Mudaliar, the Commerce Member, drew pointed attention to the growing divergence between British India and the Indian States in industrial policy and standards which made uniform application of the conventions of the International Labour Conference throughout India very difficult. Unless there is a uniform standard of labour throughout the country, a careful scheme of industrial planning becomes impossible, and unless there is a careful industrial planning, the opportunities of industrial development afforded by the war conditions will not be properly utilised.

* * * *

The final Census operations of 1941 in India commence on 28th February. This is the seventh General Census in India, the first of which took place in 1881. In spite of a great deal of planned economy, this census is estimated to cost 470 tons of paper and fifty lakhs of rupees. The first census covered the whole of India, excepting Nepal and Kashmir. Even before 1881, as early as 1853 there were censuses in India, but they were conducted by Provincial Governments. Census is almost coeval with human civilisation. There were regular enumerations of population, produce, livestock etc. before 2000 B. C. in Babylon. The Bible also mentions many instances of enumeration; but as an official institution it was first adopted in Rome in 578 B. C. by Servius Tullius. In India during Chandragupta's time (about 300 B. C.) there was a perfect system of census throughout the Mauryan Empire. England had a census in 1086 from which resulted the

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Review of the Month

Doomsday Book of William the Conqueror. The first modern census was enumerated on the basis of families and individuals in 1665 in the French Colony of New France which is part of the present Canada. In 1753 the whole of Great Britain rose against a bill providing for annual enumeration of the population. The opposition was based on the idea that it was subversive of the last remains of English liberty, and the bill, though passed in the House of Commons, was rejected in the House of Lords. The first English census took place in 1800, and the census was extended to the whole of the British Empire in 1871 and was made decennial from that date.

The annual report on the work of the Posts and Telegraphs Department for 1939-40 has been published on 10th January. The war brought about an unprecedented increase in postal, telegraph and telephone traffic which enabled the Department to earn a surplus of Rs. 89.59 lakhs during the year, the largest surplus realised after the accounts were placed in 1925-26 on a commercial basis. The total revenue of the Department during the year amounted to Rs. 12.48 crores as compared with Rs. 11.67 crores in the previous year, showing an increase of Rs. 81 lakhs. This increase was made up of increases in revenue of about Rs. 19 lakhs under "Post Office," about Rs. 40 lakhs under "Telegraphs" about Rs. 21 lakhs under "Telephones" and about Rs. 1 lakh under "Radios." Expenditure increased by only 10 lakhs in spite of the normal increases on account of annual increments in staff salaries and increase in pension bill. The existing staff at the close of the year numbered 1,18,020 as compared with 1,17,151 at the close of 1938-39; the total monetary transactions of the Department during the year amounted to nearly Rs. 298 crores. Compared to the corresponding figures for 1938-39 there was an increase in business except in the case of registered and insured articles, net deposits in Savings bank and cash certificate transactions.

Now that a factual survey of the handloom industry in India is in progress, with Dr. P. J. Thomas, Professor of Economics of the Madras University as Chairman appointed by the Government of India for this purpose, it will be interesting to recall the genesis of the investigation. During the early stages of the war, India was called upon to supple-

ment the production of blankets in the mills of the United Kingdom. On this occasion the Government decided to give the handloom industry an opportunity to supply a part of this demand. It was then thought that they might be in a position to supply 150,000 to 250,000 blankets, and all the Provinces and some of the major Indian States were invited to send representatives to a conference at New Delhi to discuss ways and means of handling this order. In the meantime they were given an opportunity to produce samples to army blanket specifications. The Conference served to bring the Government into closer touch with the actual conditions of the handloom industry, and revealed some of the serious handicaps under which it was labouring. However much it has been possible for the Provincial authorities to effect improvements of manufacture within their spheres, the chief drawback that has prevented the handloom industry from large Government orders is that it is unorganised. This has placed the industry at a great disadvantage in competition with the mills. It has since been found that organising the industry in specified areas can be successfully undertaken, but it is a question of time before it can be brought to a high level of efficiency. The work done so far in all the Provinces under the direction of the Departments of Industry has clearly proved that there still exist serious difficulties in the way of a successful organisation and development of the handloom industry. At another Conference of representatives of Provinces and States held in Delhi it was decided to get at the root of the industry's problems by carrying out a factual survey.

(Continued from page 39)

be absorbed within the country? Apart from the industrial application of groundnut which has yet to be fully explored, has its food value in India been sufficiently exploited, so that major part of the unconsumed portion may be utilised in feeding the hungry millions? Groundnut is the only agricultural commodity which enjoys the peculiar advantage of being money crop as well as a food crop, and even with a more extended acreage under groundnut cultivation, and with all the industrial possibilities of the commodity shut out, there will still be enough hungry mouths in India to be fed with the maximum of its productivity.

Trade and Commerce

Trade of India in 1939-1940

The review of the trade of India in 1939-40 has been published. It seeks to give a rosy picture of the trade of India during the year. The output of jute manufactures increased by 5 per cent as compared with 1938-39. The iron and steel industry had considerable increase in its output, production of finished steel rising to 804,000 tons which was 11 per cent higher than in the preceding year. Production of paper had a new record amounting to 1,406,000 tons which exceeded the previous year's figure by 232,000 tons. Coal raisings increased to 25,056,000 tons, a level which was not reached at any time during the past ten years. Sugar-cane crop was larger with the result that it is estimated that more than 13.70 lakhs tons of sugar are likely to be produced in India during the year. In the case of the production of cotton manufactures alone there was a decrease because of the heavy stocks remaining out of the record production of 1938-39. Besides the major industries, several articles which were never before produced in India are now produced here on account of the difficulty to get them from outside.

Turning to foreign trade, the total foreign trade of India was the largest in the last three years, the increased offtake of Indian goods by the Allied and Empire countries having more than made up the loss due to the cessation of trade with enemy countries. The total value of the foreign trade in private merchandise amounted to Rs. 378 crores as compared with Rs. 322 crores in the preceding year. The total value of India's exports to all countries, including Burma, amounted to Rs. 203 crores as compared with Rs. 163 crores in the preceding year. Re-exports in 1939-40 totalled Rs. 10 crores as against Rs. 6 crores in 1938-39, while imports amounted to Rs. 165 crores as against Rs. 152 crores in 1938-39. The increased pressure on productive capacity in the Western countries, the cessation of trade with the enemy, and shipping difficulties necessarily caused a dislocation of import trade. The increase in the value of imports is, therefore, remarkable, though it was mainly due to the rise in prices.

During the preceding two years, 1937-38 and 1938-39 the balance of trade in merchandise had been reduced to Rs. 16 crores and Rs. 17 crores respectively. In 1939-40 it increas-

ed to Rs. 48 crores. A considerable part of this increase was due to a rise in the prices of exported articles. Exports of jute manufactures rose by more than 85 per cent in value and those of raw jute by a little less than 50 per cent. These two accounted for more than 70 per cent of the increase in the total value of the export trade. Exports of raw cotton and waste showed a gain of Rs. 637 lakhs. The next important increase was in the exports of tea amounting to Rs. 279 lakhs. Exports of hides and skins, though smaller in volume, were valued at Rs. 24 lakhs more than in the previous year owing to the rise in prices. The only important items to show decreases were seeds and grain, pulse and flour. The decrease in the export of oil seeds was due to the dislocation of trade with the European Markets on which they were mainly dependant. The loss under grain, pulse and flour is explained by the fall in the exports of wheat and rice.

The principal articles under imports which registered decreases were raw cotton, cutlery, hardware, implements and instruments, machinery, iron and steel and cotton yarn and manufactures. Mineral oils of all kinds were imported in larger quantities as a result of the increased industrial activity in the country. The increase in the imports of chemicals and dyes and colours by Rs. 188 lakhs and Rs. 64 lakhs respectively is noteworthy. The United Kingdom, Switzerland, Japan and the United States largely filled the gap left by Germany. The increase under vehicles was due to larger imports of carriages and carts, not mechanically propelled, motor omnibuses, aircraft and parts of mechanically propelled vehicles.

If 36 crores export of gold and 4.38 crores of silver are added to the merchandise transactions, the total visible balance of trade in favour of India amounted to Rs. 78.60 lakhs as compared with Rs. 29.31 lakhs and Rs. 30.24 lakhs in 1938-39 and 1937-38. Instead of importing gold for favourable balance of trade being liquidated as other countries do we continued to export gold in the traditional philanthropy of India and also allowed all balances abroad to sterilize in sterling instead of gold or dollar.

Within the first four months of the war, prices of variable-yield industrial shares advanced by arrangement 31 per cent. A hectic rise of this

Trade of India in 1939—1940

nature was bound to be short-lived. In January 1940 the Excess Profits Tax was announced and the index number registered a sharp drop to 121. It recovered to 122 in February and remained steady at that level in March. The net appreciation of share value at the end of 1939-40 as compared with the preceding year was 22 per cent. Steel shares, being the leading speculative counters on the stock exchange, showed these fluctuations in a more accentuated form. Prices of industrial products were generally on a higher level.

EXPORT OF DIAMONDS, AND PRECIOUS STONES ETC.

The Central Government prohibit the taking out of British India to any place outside India and Burma of the following goods unless generally or specially permitted by the Reserve Bank of India:

Diamonds of all kinds,
Articles wholly or mainly of platinum,

Precious stones and semi-precious stones and pearls, whether or not mounted, set or strung, and articles mounted or set with diamonds, precious stones or pearls.

The Central Government by means of a notification gives general permission to all persons to export to any country contiguous to the land frontier of India other than the French or Portuguese possessions in India any of the following goods namely:

- (a) (i) Arms and ammunition, if lawfully exported in accordance with the provisions of the Indian Arms Act,
(ii) Lenses fitted to spectacle frames.
(b) (i) Bakelite and other synthetic moulding powders.

(ii) Chemicals and chemical preparations, the following—

1. Ammonia and Ammonium compounds.

2. Chlorine.

3. Glycerine.

(iii) Chemical manures.

(iv) Quinine salts.

(v) Drugs and medicines, not of Indian produce or manufacture.

(vi) Surgical and veterinary instruments.

(c) (i) Electrical insulating materials, all sorts.

(ii) Motor cars, motor cycles and motor omnibuses, vans and lorries and parts thereof (excluding rubber tyres and tubes).

(iii) Coniferous timber, namely, *Pinus olingifolia* (Chir), *Pinus excelsa* (Kail), *Picea*

morinda (Spruce), *Abies pindrow* (Fir), and *Cedrus deodara* (Deodar); also chests, boxes, crates and other containers made therefrom, when exported empty, and parts thereof including shooks.

(d) The following articles included in Part D of the said notification namely:

Paper and pasteboard, all sorts.

(e) The following goods included in Part E of the said notification namely:

(i) Iron or steel:

1. All rolled sections.
2. Castings.
3. Hoops and strips.
4. Rivets, bolts, nuts and washers.

5. Sheets and plates not specified in Part C.

(ii) Oilcakes, all sorts.

(iii) Oils, minerals, all sorts (excluding lubricating oils, greases and petrol).

(iv) Grain, pulse and flour.

(v) Oils, vegetable, non-essential, all sorts.

(vi) Rubber manufactures, the following: Tyres and tubes.

(vii) Textiles, the following: Cotton manufactures, all sorts not specified in Part C.

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FOREIGN AND COASTING TRADE MADRAS PROVINCE (IN RUPEES)

Merchandise Imports from and Exports to Foreign Countries					External Coasting Import and Export Trade (Indian and Foreign Merchandise) of Madras Province				
		Imports		Exports					
		1939	1940	1939	1940			1939	1940
January	2,00,50,335	238,84,991	3,26,79,611	364,66,512	January	74,50,870	67,54,337	52,28,067	84,14,945
February	2,24,87,288	202,24,111	2,78,64,011	355,59,789	February	89,31,357	61,79,886	62,62,799	52,09,894
March	3,15,09,924	281,09,276	3,81,03,546	432,41,529	March	80,61,980	66,39,456	77,31,787	79,85,962
April	1,71,39,842		2,10,65,187		April	63,64,636	64,42,589	49,10,911	48,73,987
May	2,63,00,487		3,32,45,931		May	101,39,378	98,87,115	71,53,998	67,27,423
June	2,97,60,623		4,27,33,498		June	56,25,922	48,91,836	46,60,332	34,61,227
July	2,73,86,494		3,95,54,424		July	36,52,126	95,67,143	30,09,391	30,31,023
August	2,22,10,392		3,28,27,192		August	88,66,060	31,52,280	37,58,717	31,75,603
September	2,05,85,082		2,13,98,840		September	66,53,266		43,88,194	
October	2,01,09,004		3,05,99,954		October	60,75,424		44,56,698	
November	1,94,86,507		2,97,28,142		November	68,90,532		65,06,379	
December	1,30,39,342		1,91,30,277		December	67,37,168		54,66,313	
	2,700,65,820		3,689,30,613			854,48,769		635,33,589	

RAIL-BORNE TRADE OF MADRAS PROVINCE—(In tons)

* CHIEF SOURCE

† CHIEF DESTINATION

CEMENT				COFFEE				COTTON YARN			
		Import (In tons) Export				Import (In tons) Export				Import (In tons) Export	
		1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
January	3,215	883	593	295	99	7	30	892	556	1,067	1,071
February	4,072	409	710	569	123	96	32	701	488	1,116	801
March	2,888	703	682	14	326	87	30	707	647	1,095	55
April	3,039	422	585	389	138	77	24	685	1,243	558	651
May	384	387	703	465	80	51	19	1,032	967	1,504	1,295
June	3,043	225	630	649	80	67	21	838	664	1,106	631
July	2,392	301	497	1005	74	48	28	83	874	1,033	1,311
August	644		827		62		19	806		1,504	
September	3,336		513		73		33	1,066		1,038	
October	1,699		389		51		37	408		1,433	
November	1,108		417		55		34	840		2,191	
December	229		457		64		40	955		1,947	
	26,054		7,009		1,429		351	10,017		15,597	

* Nizam's Dominions, Central Provinces

† Mysore

* Mysore.

† Mysore.

* Bombay and Mysore.

† Calcutta, Bombay and Mysore.

COTTON PIECE-GOODS

		Import (In tons) Export				Import (In tons) Export				Import (In tons) Export	
		1939	1940	1939	1940						
January	1,536	755	652	461	36,911	5,605	250	161	9,505	3,731	12,164
February	1,354	1,118	645	861	5,969	9,301	206	111	8,200	7,927	11,608
March	1,128	1,472	782	866	4,614	7,573	240	108	8,393	7,243	12,433
April	1,327	1,915	701	78	4,657	468	440	151	7,824	5,170	9,883
May	158	2,701	671	706	4,966	4,704	341	131	7,653	484	12,302
June	1,324	1,315	542	537	3,663	1,289	558	102	1,874	3,163	13,871
July	1,533	1,481	564	594	3,910	1,670	361	70	8,535	5,166	11,888
August	1,333		732		438		731		5,044		15,096
September	1,958		906		1,200		810		1,371		4,416
October	1,358		895		2,006		450		6,640		13,060
November	1,945		708		2,350		937		8,647		6,073
December	1,487		952		276		638		8,706		17,260
	16,447		8,754		70,965		5,966		82,397		1,41,060

* Bombay and Mysore.

† Calcutta, Bombay, and Mysore.

* Orissa and Central Provinces.

† Bombay

* Orissa, Central Provinces, Bengal, Bihar and Punjab.

† Mysore, Nizam's Dominions, Bombay.

(Foreign and Coasting Trade Continued)

	RAW HIDES				RAW SKINS				LEATHER			
	Import (In tons)		Export		Import (In tons)		Export		Import (In tons)		Export	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
January	2,182	2,236	68	170	611	1,013	67	11	...	575	...	137
February	1,497	3,320	85	91	628	1,037	29	106	384	547	76	140
March	2,152	3,670	30	101	728	795	47	110	474	469	97	152
April	1,896	3,084	40	102	649	870	33	60	469	685	93	21
May	1,816	2,003	49	104	564	726	49	46	510	615	90	181
June	1,288	1,026	45	69	671	517	47	80	521	521	90	148
July	2,176	984	84	67	802	578	96	36	56	415	80	212
August	2,158		142		616		50		625		88	
September	1,804		87		452		37		537		100	
October	239		141		891		89		481		18	
November	3,067		278		1,026		49		522		119	
December	2,347		86		771		111		510		139	
	22,625		1,140		8,412		709		5,092		995	

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

	IRON AND STEEL GOODS				OIL CAKES				VEGETABLE OILS			
	Import (In tons)		Export		Import (In tons)		Export		Import (In tons)		Export	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
January	6,783	10,150	2,571	2,351	6,259	1,593	90	41	874	250	2,146	3,118
February	16,809	9,292	1,589	4,843	4,033	2,459	64	2,459	787	353	2,523	3,632
March	10,124	8,991	5,477	3,762	3,712	3,572	34	68	1,035	469	2,379	2,845
April	9,722	7,112	2,278	3,098	4,312	258	53	94	824	878	2,104	2,659
May	9,712	7,699	1,770	4,015	4,856	2,304	104	140	1,096	630	1,739	2,633
June	7,579	6,998	1,787	2,988	4,121	3,141	113	218	685	218	1,169	1,873
July	9,694	9,441	2,967	3,079	3,428	3,470	68	127	651	438	1,228	1,123
August	8,924		2,007		2,716		38		405		1,201	
September	10,441		3,189		2,327		101		445		1,737	
October	7,107		2,859		3,779		224		14		1,169	
November	6,448		2,034		2,217		11		359		1,600	
December	9,092		1,500		2,559		48		460		3,055	
	113,438		30,014		44,324		952		7,641		60,22	

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

	CASTOR SEED				COTTON SEED				GROUNDNUT			
	Import (In tons)		Export		Import (In tons)		Export		Import (In tons)		Export	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
January	451	2,819	Nil	90	1,482	1,090	131	14	5,027	1,886	1,347	24,94
February	1,248	8,304	Nil	169	533	972	56	7	3,113	1,730	12,155	7,888
March	1,419	5,414	42	104	1,989	1,822	192	2,676	3,222	2,217	5,854	99,390
April	1,144	4,036	16	131	2,206	2,822	274	34	2,794	3,132	4,017	35,707
May	1,176	2,202	18	88	1,433	312	115	Nil	108	1,960	5,716	06,818
June	765	4,303	18	12	1,834	894	48	4	3,513	712	2,145	3,559
July	399	123	8		1,990	1,548	158	1	2,114	303	2,809	
August	416				1,921		123		678		3,258	
September	1,577		5,287		2,848		176		56		907	
October	2,564		155		1,724		14		71		871	
November	1,109		5		1,333		27		4,775		931	
December	227		103		1,999		1278		6,520		15,184	
	12,498		5,609		21,297		2,596		31,995		55,200	

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

(Foreign and Coasting Trade Continued)

	RAPE AND MUSTARD				GINGELLY SEED				SALT			
	Import (In tons)		Export		Import (In tons)		Export		Import (In tons)		Export	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
January	261	354	7	283	2,439	1,053	1	17	1,123	284	4,263	3,877
February	1,013	1,181	581	730	2,808	3,669	4	77	827	1,906	3,335	8,678
March	561	613	337	55	1,404	3,272	1	74	1,789	1,272	4,079	3,706
April	228	509	308	16	1,776	1,427	8	3	2,709	2,140	6,368	6,774
May	117	432	90	4	511	859	9	7	2,743	2,769	8,051	7,084
June	53	41	39	Nil	528	517	Nil	2	275	42	3,691	4,835
July	17	68	47	30	609	538	9	1	Nil	3	2,627	3,679
August	32		57		748		1		4		3,121	
September	22		127		1,329		16		Nil		4,465	
October	30		88		2,116		2		1		5,187	
November	144		85		1,433		32		23		5,619	
December	75		39		2,776		80		537		6,975	
	25,558		1,809		18,482		159		10,034		57,737	

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

	SUGAR—REFINED				JAGGERY AND MOLASSES				TEA			
	Import (In tons)		Export		Import (In tons)		Export		Import (In tons)		Export	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
January	5,720	4,098	677	289	263	161	3,085	321	70	122	373	380
February	4,071	8,913	881	751	582	446	5,559	6,703	110	94	321	257
March	2,487	1,864	438	279	366	753	386	5,627	96	79	321	312
April	705	1,980	665	389	263	555	3,801	3,848	95	115	383	315
May	1,266	2,620	1,405	60	174	741	2,132	2,263	104	76	419	361
June	78	3,379	701	257	47	343	1,247	977	89	101	367	342
July	73	10,034	834	601	51	321	1,798	1,294	111	114	334	320
August	827		118		76		1,315		118		411	
September	967		458		106		1,407		146		371	
October	1,141		914		95		1,452		102		388	
November	1,427		610		45		889		126		393	
December	4,082		300		103		1,869		145		481	
	22,847		8,005		2,177		24,944		1,317		4,666	

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

	RAW TOBACCO				WOOD AND TIMBER				RAW WOOL			
	Import (in tons)		Export		Import (in tons)		Export		Import (in tons)		Export	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
January	241	340	1,129	1,466	4,293	5,543	1,074	928	16	36	66	145
February	378	397	676	592	4,532	5,080	981	628	30	83	74	204
March	584	619	2,159	1,616	5,444	6,853	1,070	1,682	50	54	44	159
April	563	541	3,073	162	7,237	8,045	788	867	71	35	92	137
May	179	422	2,019	1,138	6,560	5,375	388	340	113	24	162	36
June	273	148	1,312	1,063	5,922	3,789	792	861	60	6	116	71
July	211	152	1,241	965	3,141	2,996	505	1,655	58	16	68	162
August	122		96		2,007		1,385		85		112	
September	127		1,191		1,575		852		76		167	
October	272		1,699		1,285		869		43		82	
November	273		2,076		2,215		833		9		83	
December	290		1,299		3,832		780		18		92	
	3,518		17,975		48,050		10,322		634		1,163	

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

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TRAVEL IN COMFORT

Agriculture

Restriction of Groundnut Cultivation

By A. S. M.

The Government of India are reported to have reached an arrangement with the Ministry of Food in the United Kingdom, under which they would create a fund from the proceeds of a rebate on shipments of groundnuts from South India and Bombay ports, the rebates being 25s and 15s per ton respectively. It has also been decided to attempt curtailment of the acreage of groundnut cultivation in this country by propaganda pending a return to normal conditions. These steps are intended to give relief to the groundnut cultivator and are the result of the enquiry made by Dr. Gregory in the groundnut growing areas in South India. The subject was also discussed at the last meeting of the Export Advisory Council at Calcutta. Government of India also convened a conference at Delhi on 20th February to discuss the methods of restricting the acreage under groundnut, and of compensating groundnut producers who are willing to submit to restriction. Now, therefore, the Government can have the complacent feeling that they have done the best they could do under existing circumstances, but it is impossible to reconcile this picture with the other one by which the British Government most generously purchased the whole 1940 cotton crops of Egypt! That is only by the way; the result of the conference was the poorest on record. Compulsory restriction was not possible; and voluntary restriction is probably not useful. Payment of compensation to individual ryots was not considered practicable and all advertised programmes were finally thrown overboard. Propaganda was finally decided upon, a committee appointed and hereafter some new jobs will go round. This is heartless profiteering on the distress of the masses.

NO OVER-PRODUCTION

The technique of restrictionism hardly seemed from the very start to be the correct procedure for finding out a solution for the problem which faced the groundnut producer in India. No doubt the 1929 depression which affected commodity prices in Great Britain and America led to the adoption of similar methods which were to some extent successful in those countries, but then the origin of their disease vastly differed from that of this country. There was actual

over-production and therefore a deflation in prices in Great Britain and America; in India to-day a state of over-production is brought about, not by an actual abundance of production, but by definite under-consumption in the industrial concerns connected with groundnuts, and by a want of adequate facilities of freight and the closing of markets due to the war. It is, therefore, unnecessary to take such steps as are generally resorted to in circumstances of actual over-production, in circumstances in which a huge surplus of the commodity is left behind after the maximum consumption by the various industries connected with it; they may even prove to be detrimental to the interests of cultivation of the crop in the future. The originally proposed policy of restriction might afford some temporary relief to the already existing group of groundnut cultivators; but more than the cultivator is the cultivation of groundnut, the national value of which as a food as well as a commercial product cannot be over-estimated. India is not able to produce enough food for her children, and although groundnut has not been a long-standing crop in the country, it has admirably established itself on the Indian soil with a food value which is sufficient claim to make it more extensively cultivated than at present. There may come a time in the future when throughout the length and breadth of the country, people may not know what it is to be hungry, and that will happen at a time when India would produce hundred times more of groundnut than she is doing to-day. Decidedly there is nothing in the nature of over-production in groundnuts now, and there will be nothing in the nature of over-production in the near future.

SCOPE OF EXTENSION

Even with regard to the extent of the area sown with this crop, it is too early to say that the area under cultivation has attained anything like stability. All that can be said is that ever since its advent the crop has shown an annual increase in the area cultivated which, on a consideration of climatic and soil conditions, is sure to have an unlimited expansion in the future. In respect of such a popular crop, can no better methods than restrictionism be sought by which the whole produce may

(Continued on page 32)

Figures by districts are given in the statement below:

(Area in hundreds of acres, i.e., 00 being omitted, yield in hundreds of tons, i.e., 00 being omitted.)

District and group.	(1)	(2) ACS.	(3) ACS.	(4) ACS.	(5) Percentage of the estimated yield per acre of the area in column (2) as compared with the average yield per acre in a year of average season.	(6) TONS.	(7) TONS.	(8) TONS.
Vizagapatam...	...	1.3	1.5	2	90	1	1	Nil
East Godavari	...	6.5	6.2	3	100	7	7	Nil
West Godavari	...	4.5	4.2	3	100	5	4	+
Kistna	...	2.5	2.3	2	100	3	2	+
Guntur	...	27.0	27.3	3	100	3.0	2.9	+
Total, Circars ...	...	41.8	41.5	3	100	4.6	4.3	3
Kurnool	...	31.0	29.9	11	100	21	19	+
Bellary	...	20.0	17.7	23	100	13	12	+
Anantapur	...	58.0	79.2	21.2	100	3.9	5.9	2.0
Cuddapah	...	12.0	11.1	9	100	8	7	+
Total, Deccan ...	...	121.0	137.9	-16.9	100	8.1	9.7	-1.6
Nellore	...	38.0	38.4	4	100	4.2	3.7	5
Chingleput	...	Nil	Nil	Nil	100	Nil	Nil	Nil
South Arcot...	...	8	8	Nil	100	1	1	Nil
Total, Carnatic ...	...	38.8	39.2	4	100	4.3	3.8	5
Chittoor	...	4.8	5.3	5	100	5	6	1
North Arcot...	...	5.3	4.4	9	100	6	4	2
Salem	...	19.0	18.9	1	100	3.4	3.7	3
Coimbatore	...	7.8	6.9	9	100	1.1	1.1	3
Trichinopoly...	...	6.5	7.4	9	100	1.2	1.2	Nil
Total, Central ...	...	43.4	42.9	5	100	7.1	7.0	1
Tanjore	...	3	3	Nil	100	1	1	Nil
Madura	...	2.4	2.0	4	100	4	3	+
Ramanad	...	8	8	Nil	100	1	2	1
Tinnevely	...	8	9	1	100	1	1	Nil
Total, South ...	...	4.3	4.0	3	100	7	7	Nil
Malabar	...	5	4	1	100	1	1	Nil
South Kanara	...	2	2	Nil	100	Nil	Nil	Nil
Total, West Coast ...	...	7	6	1	100	1	1	Nil
Total, Province ...	...	250.0	266.1	-16.1	100	24.9	25.6	7

Castor Crop Forecast Statistics in 1940:

The Answer to Air Menace

by

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

(Chartered Architect & Town Planning Consultant, Madras)

Events in China, Africa and Europe have shown that modern cities are extremely vulnerable to air attack. Innocent men, women and children, the sick and the suffering have been killed and injured. Many who escaped unhurt have been rendered homeless. Buildings and structures are damaged and destroyed. Transport and communication facilities have been dislocated, and water and gas mains damaged rendering the life of the survivors difficult. In extreme cases people have been compelled to change their mode of life and subjected to unimaginable physical and mental strain. Even the social and economic life of the nation subjected to extensive raids have been affected. Time alone can reveal the consequences to society and civilisation from this formidable menace. But even what little that is obvious is horrible.

Prevention, the most desirable solution, seems impracticable. Protective measures for the citizens, city structures and essential services to resist the high explosive and incendiary bombs used become necessary. The high explosive bomb is formidable. A 500 pound bomb can penetrate the strongest of our buildings. Its blast can demolish any normal wall at 20 or 25 feet and its fragments can cause death to people even several hundred yards away. None of our buildings can stand a direct hit and nearby explosion. The incendiary bomb though less deadly is no less destructive. It can set an effective fire and destroy cities by spreading conflagration.

Protection to life can be ensured by bomb resisting accommodation, by massive structures carefully designed and built.

But air raid shelters capable of resisting direct hits of bombs are very expensive. Unless they are capable of being used in times of peace their erection is financially impracticable. A dual purpose shelter will solve the question of finance and economy. Modern cities however by their lay-out require more than what is absolutely essential, if our citizens should have ready access to them. To economise in the number of shelters is possible only if busi-

ness houses and residences surround dual purpose air raid shelters. An altered layout zoning and planning of residential suburbs become necessary to make protection possible to all. Initial outlay is of course a big problem but against this we must consider what it would cost for evacuation and medical aid. No financial outlay can be considered too big when it is a question of preserving life and morale of the people.

Regarding structures it is idle to recommend that every building should be bomb-proof. But by avoiding congestion and by adopting an open lay-out we can minimise the chances of direct hits, and by careful designing and construction the consequences of blast can be easily rectified and the edifices made fit for use. Framed structures can resist bomb better and if each building was at least 25 feet away from its neighbour, destruction of structures by bombs would be very expensive if not almost negligible. If buildings are properly classified and if cities are zoned and the residential area separated from the industrial, commercial and other zones, the scope for casual destruction would be eliminated and destruction by bombing would become inadvisable.

Unless cities are planned and zoned we cannot prevent indiscriminate bombing and casual destruction. Unless we have space around buildings we cannot reduce the effect of vibration upon foundations, and until our roads are made wide we cannot hope to keep them free from debris blocking them and preventing the movement of fire fighting and salvage parties.

In conclusion it comes to this, that to resist the high explosive bomb our buildings must be suitably designed, our roads must be wide, there must be space around each building and that different kinds of activities must be separated. It is the lack of all these which makes our cities easy prey to raiders.

The kilo incendiary bomb can be prevented from penetrating into a building by a flat reinforced concrete roof, five inches thick. Fire breaks are also absolutely essential to

* Extracts from the lecture delivered under the auspices of the Madras University, at the University Examination Hall. The lecture was illustrated with numerous diagrams and sketches taken from his recent publication "Air Raids and Civil Defence."

The Answer to Air Menace

(of Rupees)

prevent fires from spreading and confine destruction to the building actually attacked. Every building in the city must be detached from the rest, with sufficient space around, to prevent fire brands flying and spreading fire. Adequate water supply should also be ensured and to every part of the city to fight the fire.

To resist air attacks we must have, bomb-proof shelters for all the people, buildings and structures that would minimise the destruction by air raids and services the supply of which is immune to dislocation. We also require a suitable contingent of fighter aircraft, anti aircraft guns, balloon barrages and other ground defence equipments. These are needed to force the raiders to attack the targets from a great distance and in great hurry—the two factors which render destruction very expensive. When these four features are carefully combined we would obtain a city which can protect the citizens and resist attack from the air to such an extent that would make air raids not worth while. This would undermine the enemy's incentive to adopt air raids as his method of aggression.

How will such a city be? There will be a large central park about half a mile in diameter around which civic buildings, stately edifices, temples and the like would find location.

A green belt would surround these to separate them from the city zones lying in the surrounding area—commerce, administration, trade, banking, insurance, etc., each zone separated from the other by parks, open spaces, gardens and roads. Buildings in these zones would be framed ones and not more than six storeyed and located around garages which could be used as bomb-proof shelters in emergency. A green belt of gardens and parks 500 to 1000 yards wide would encircle this area and separate it from the surrounding residential suburbs. The residential zones would be in the form of townships and villages, self-sufficient and self-reliant in matters of water supply and drainage and lighting. Community centres, capable of conversion into bomb resisting accommodation for those residing around, would form the foci of each group of residences.

Pasturage and vegetable gardens will encircle the residential belt. In this pasturage will be housed cattle and livestock catering for the dietary, transport and other needs of the city. Anti-aircraft gun positions would be in this area to check the raiders. The road

encircling this pasturage would help connect the anti-air craft gun positions, and defend the boundary better. Ammunition stores, telephone exchanges, broadcasting stations, electric powerhouses, etc., would be housed in carefully designed structures and located in the green belt. The trees and vegetation and parks would make identification of these very difficult. Aerodromes and railway stations are large and cannot be concealed in gardens and they therefore lie outside the city and away from residences. For the same reason factories are located outside the city. Tanks, ponds, wells and bathing pools would be all over the city to provide dependable and copious supply of water for fire fighting, decontamination and normal peace time purposes. The entire city will be surrounded by a belt of agricultural land growing cereals and pulses. And it would be superfluous to "dig for victory" in times of war.

When we critically examine the potentialities of aircraft bombs, the method of air attacks, and the method of destruction and damage that a city like this will permit and the rapidity and facility with which it can recover from air attack, it will become evident that the destruction of city structures will be very expensive, dislocation of the supply of essential services will be nearly impossible, and citizens would be absolutely safe. These may not make air attacks impossible but would make raids not worth while and inadvisable. Merely lies the chance for cities and civilisation to survive the air menace.

The expense and effort of preserving civilisation and culture in its modern abode—uncontrolled agglomeration of men and buildings—is prohibitive. Three hundred and sixty thousand pounds a day are needed for partial evacuation and A.R.P. organisation for England, not to speak of the 16 million pounds expended every day to resist aggression mainly from the air. Is it too much to ask then to spend much less to obtain much more permanent abodes of peace and security for man and his material culture?

NOTICE

Attention of members is drawn to the provisions of the War Risk (goods) Insurance Ordinance 1940 under which goods have to be covered by insurance. The scheme has been made compulsory from November 1940. Evasions to insurance will bring them under the penal provisions of the Ordinance.

Industry

Paper Making in India

II

As the manufacture of pulp from bamboo is exclusive to India, a brief description of the process should find a place in any survey of the industry, however brief. Imported pulp is no longer essential, though for certain purposes it is sometimes added, but the best qualities of printing and writing papers can be made without its admixture. One of the main trends of research in recent years has been the increasing use of indigenous materials, which has in fact been an essential condition of the protection in certain categories of paper which the industry has enjoyed for some time past.

MANUFACTURE OF INDIAN PAPER

The initial stage in manufacture is the crushing or chipping of the raw bamboo into a form suitable for the subsequent processes. This mechanical treatment is necessary in order to disintegrate the fibre and render it accessible to the chemical reagents employed in the process of digestion. The experience of mills which manufacture pulp from bamboo is that crushing in a series of rollers is more satisfactory than chipping the bamboo in chipping machines. The next process is the digestion or cooking of the disintegrated fibre, which is the chemical process by which the various substances other than cellulose are dissolved. These substances consist mainly of pectins and lignins in several forms. Two processes are in use, which may be described as the acid process and the alkali process. In the acid or sulphite process the chemicals used in the preparation of the acid liquor are sulphur and magnesia which in combination form magnesia-sulphite. The acid liquor is pumped into the digesters loaded with the bamboo chips by the direct overhead method and the temperature slowly raised by the admission of steam under pressure. The digesters consist of a mild steel lined shell with acid resisting brick and are of different capacities. After cooking is completed, the contents of the digester are blown off into a 'blow-pit' from which the spent liquor carrying the non-cellulose material is drained leaving the bamboo pulp behind. The alkali process may be subdivided into two—the soda process in which the principal chemical used is caustic soda, and the sulphite process, an improvement on the soda process, in which sodium sulphide is mixed

with a small proportion of caustic soda. The application of the chemicals used can be made in more than one way. The 'fractional' and the 'cascade' methods are those at present in use in India. The average total period of cooking is 14 to 15 hours including washing of the pulp. Those mills using the alkali process have special plants for the recovery of chemicals. After the digestion or cooking process is completed and the pulp drawn off from the digesters, the next stage is washing and straining to remove impurities. The pulp is then pumped into a concentrator where the water is extracted and the concentrated pulp passed to a storage chest ready for the process of bleaching.

Where grass is used it is first dusted and then loaded into digesters. The process of digestion or cooking of grass is carried out in one operation at a constant pressure with sodium hydroxide either by the direct overhead or by the 'fractional' system. The pulp after digestion is broken up, strained, washed and bleached. After completion of the process of bleaching the bleached pulp is passed to the beating house. If imported bleached pulp is used, it is added at this stage. The process of bleaching is of great importance since the quality of the paper made depends largely on the attainment of the correct degree of consistency in the pulp. The length of time required for beating depends on the nature of the material from which the pulp is made. After beating, the pulp is passed through the paper machine to emerge finally as paper.

MODERN DEVELOPMENT

In recent years a good deal of attention has been paid by Indian manufacturers to bring their pulping and beating processes up-to-date, and the rapid improvement in the quality of Indian paper has undoubtedly been due to the replacement of obsolescent machinery by more up-to-date plant. There has been a fairly general introduction of sizing plants, calendering and super-calendering machines, new cutting and reeling machines and guillotines for trimming, whilst as a whole the tendency has been to introduce the electric drive for plant where it was not already present.

Paper Making in India

For the sake of clarity we might very roughly classify those categories of paper which enjoy tariff protection and those which do not. Protected papers include all kinds of printing paper with the exception of chrome, marble, flint, poster and stereo containing no mechanical wood pulp, or in which the mechanical wood pulp amounts to less than 70% of the fibre content. Writing paper is also protected. Unprotected papers include packing and wrapping paper, articles made of paper and *papier mache*, printing paper of all sorts which contain mechanical wood pulp and stationery. The report of the findings of the last Indian Tariff Board to enquire into the paper industry made some interesting calculations as to the future of consumption and the capacity of the industry to meet it. During the period 1929-30 to 1936-37 consumption increased by 6,656 tons, an annual average increase of 951 tons. They calculated that consumption in future may fluctuate from year to year in accordance with the effect economic conditions may have on the purchasing power of the population, but over a period of years may be expected to increase with the spread of literacy and the growing demands of educational institutions. They thought it difficult to estimate the rate of increase, but it was likely to be higher than in the period 1929-30 to 1936-37 unless any abnormal circumstances intervene. They considered the average annual rate of increase during the next few years might be estimated at 1,500 tons per annum, distributed over the protected and unprotected classes of paper in the proportion of 62 and 38. On this calculation the demand for protected classes of paper might be expected to have risen to 57,000 tons by 1940-41 and of unprotected classes of paper to 35,000 tons, a total of 92,000 tons. By 1940-41 the capacity of established mills, they thought, would have increased to 63,900 tons. The capacity of new mills under construction or definitely projected was thus estimated at 95,600 tons, but it is unlikely that they will be in a position to manufacture to their designed capacities. Assuming an output of 80,000 tons, and allowing for the fact that three mills are designed to manufacture paper mainly of the un-protected classes, the production of protected classes of paper might exceed the demand by some 7,000 tons, but the total production would fall short of the total demand by 12,000 tons, taking protected and unprotected classes together.

These figures, which were compiled two years ago before the situation had so radically changed by the war, make an interesting comparison with a later calculation, which appears in the last issue of Indian Print and Paper, which contains a detailed statement of imports of all kinds of paper into India for the twelve months ending March 1939 and which says that according to the latest information the present annual production of the Indian mills is 90,000 tons, a figure which excludes the output of one mill that has recently changed hands and has been temporarily out of production. During the immediate pre-war period, and since the commencement of hostilities, there has been a sharp jump in output as the under-noted table of imports and Indian mill production during 1938-39 reveals. It will be observed that, by comparison with the present estimated annual production of 90,000 tons, the Indian mills a little over eighteen months ago were producing at the rate of just under 60,000 tons per annum. The following are the main heads of imports into and production in India for the year 1938-39:—

Imports	Tons.
Paper containing substantial proportions of mechanical wood pulp ...	11,583
Old newspapers ...	47,384
Writing and printing paper substantially made from chemical pulp ...	37,654
Straw-boards, card, mill and paste-boards ...	27,057
Indian mill production ...	59,198
Total consumption ...	212,831

Excluding boards, it will be seen that imports into India are divided fairly evenly into paper made from mechanical wood pulp, old newspapers, and paper made from chemical wood pulp.

The *per capita* consumption of paper in India is as yet very small by comparison with the larger countries of America, but with increasing literacy, an extension of primary education and an advancing standard of life amongst some 40 crores of people there is obviously great scope for enlarging paper consumption in this country, and it is in fact the possibilities of the long-term future that have led to the extension of the industry in our midst. The full effects of the war on Indian conditions and particularly on production have

Paper Making in India

been felt, because the outbreak of hostilities found most of the mills carrying large stocks which provided an alternative supply of paper to consumers who found themselves cut off from the sources from which they usually obtained their requirements. These stocks have, however, been worked off by now. Consumption has not only increased but it shows in addition a tendency to concentrate on more expensive kinds of paper, because those who formerly relied on cheap qualities of paper containing mechanical pulp, finding themselves unable to obtain supplies at a reasonable price, are using instead paper of the type manufactured by the Indian mills. A recent trade forecast says there is thus likely to be a real shortage of paper in India, but the situation will not be so serious as in markets where mills for pulp and paper production do not exist.

THE POSSIBILITIES OF EXPORT

The disabilities of the war are not entirely without their compensations, however. The Indian paper making industry has begun to think of the possibilities of the export trade, which now holds out opportunities that may not recur when peace returns. The chastening experiences of the past in the domestic market warns the industry against attempting an extravagant export programme which it will be beyond its capacity to sustain in more normal times; nevertheless, there is no reason why a footing should not be obtained in the markets of adjacent countries—particularly adjacent Empire countries. It is felt that an export trade developed on sound commercial principles which will serve the industry in good stead long after the adventitious war-time aids to expansion have disappeared. In planning for the future the Indian paper making industry is looking ahead to the days of peace rather than to the immediate advantages which have come to it as a result of the war. There are several cogent and severely practical reasons why it desires to begin building up its export business.

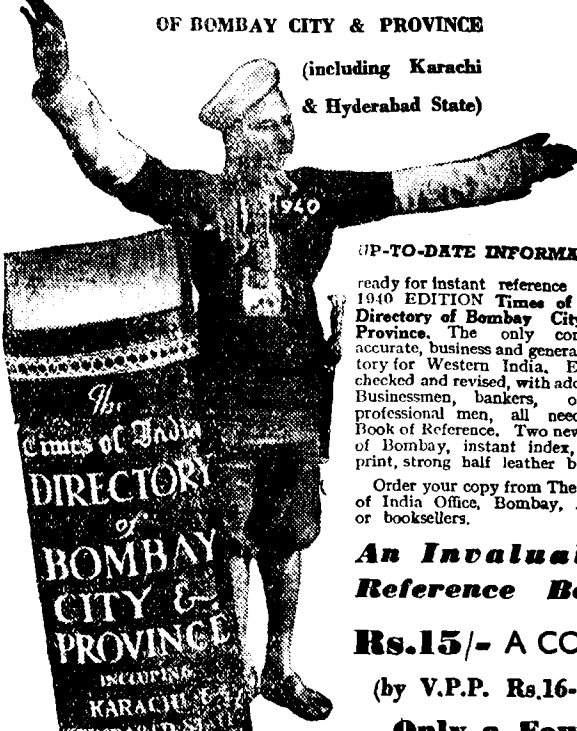
At any time on broad grounds the case for developing the export market is a strong one; in time of war it is enhanced by such factors as the desirability of preserving valuable foreign exchange. On this ground alone there are powerful arguments in favour of Empire countries buying such paper as they can from within the sterling block. In this respect India offers her neighbours considerable facilities, for the position is that the Indian mills will have

a surplus after meeting all the country's own requirements in the protected grades of paper and to a limited extent the demand for non-protected papers. It is the industry's considered opinion that Indian manufacturers are now in a position to export limited quantities of paper, which neighbouring Empire countries would probably prefer to take in preference to the American or Japanese products to which the war must force them in the absence of an alternative source of supply within the Commonwealth. Amongst India's immediate neighbours it may be mentioned that there are no paper mills in Burma, Ceylon, Malaya, and East Africa, and whilst there is some production in both Australia and South Africa, both are importing countries.

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(including Karachi
& Hyderabad State)



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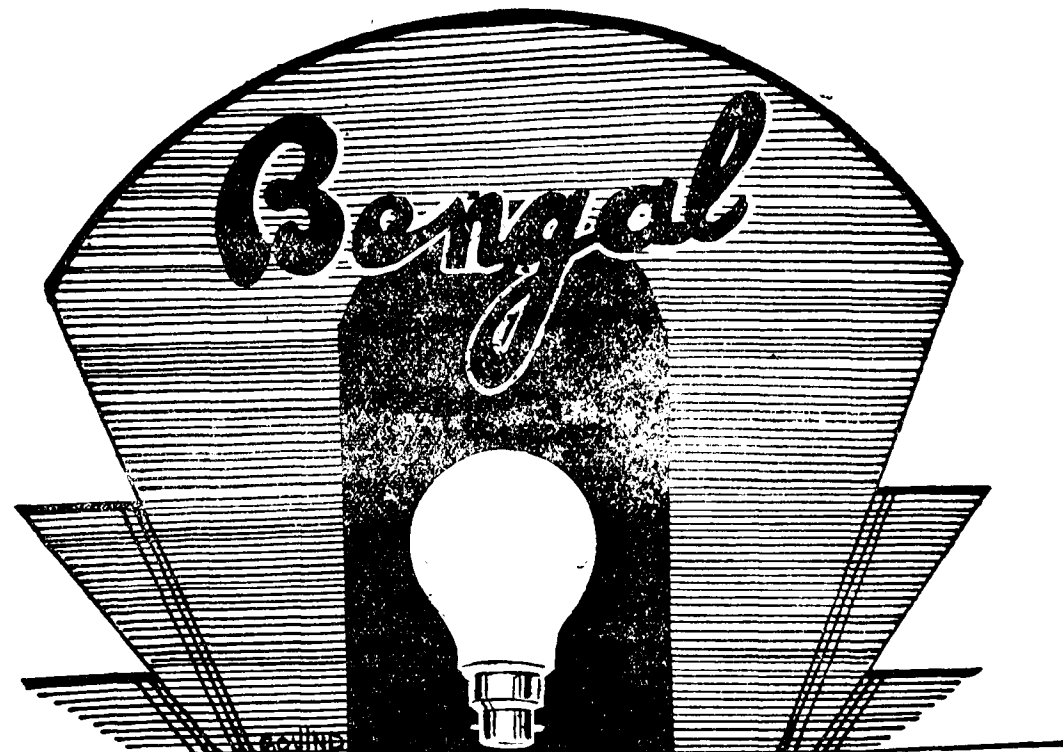
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Transport

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OF

M. & S. M. RY. RATES

The attention of members is drawn to the special rates recently introduced for wagon loads:

Description of Goods.	STATIONS		Rates Rs. A. P
	From	To	
Casein ...	Via Dadar (for traffic from Nadiad)	Kallayi (via Raichur, Arkonam and Jalarpet)	1 6 4
Chlorate of Potash ...	Bombay	Tiruvottiyur (via Raichur)	2 10 4
Chrome ore ...	Kondapalli	Madras (via Bezwada)	0 5 3
Chrome ore ...	Mysore South	Mormugao Hr. (via Harihar)	10 0 8
Cocoanuts, Coconut kernels ...	Bezwada	Via Dadar (for traffic to Broach)	0 9 8
Colours and dyes ...	Via Howrah (for traffic from Mohin Mill Siding Lilloah)	Madras and via (via Waltair)	0 15 0
Colours and dyes ...	Via Howrah (for traffic from Mohin Mill Siding Lilloah)	Madras and via (via Waltair)	0 11 0
Leather Fleshing and Shavings	Bombay	Madras (via Raichur)	1 4 0
Matches, safety ...	Sivakasi	Via Dronachellam (via Katpadi) for traffic to Hyderabad M.G.)	2 9 3
Matches, safety ...	Madras	Via Bezwada (for traffic to Secunderabad and Hyderabad B.G.)	1 0 2
Matches, safety ...	Tiruvottiyur	Via Bezwada (for traffic to Warangal)	1 0 2
Piece-goods, cotton, woollen or artificial silk, with or without common metal brass or tinsel thread edging, false or imitation lace, in bales, press packed and bound with iron bands or steel wire or packed in boxes or cases.	Madras	Via Waltair (for traffic to Sahur)	1 13 9
		New Delhi (via Bezwada and Balharshah)	3 8 5
Slates, writing ...	Markapur Road	Shalimar and via (via Waltair)	1 4 0

Banking, Insurance and Finance

Current and Time Deposits of Scheduled Banks in India and Burma (In Lakhs)

Month.	Current Deposits.				Time Deposits.				Total.		
	1938	1939	1940	1941	1938	1939	1940	1941	1938	1939	1940
January	130.19	128.93	145.63	178.01	110.00	108.50	108.42	101.88	240.19	237.43	254.05
February	129.03	127.37	151.38		110.13	108.29	108.88		239.16	235.66	259.26
March	128.58	130.66	150.37		108.27	107.29	108.88		236.85	237.95	259.25
April	128.04	128.61	149.82		110.09	108.50	113.23		238.13	237.11	263.05
May	127.28	129.49	145.42		110.43	108.96	112.13		237.71	238.45	257.55
June	127.14	131.90	143.93		107.70	109.12	107.75		234.84	231.02	251.68
July	129.71	140.74	153.48		107.11	107.39	106.60		236.82	248.13	260.08
August	129.27	141.39	160.60		106.97	106.46	101.88		236.24	247.85	262.48
September	131.16	139.19	165.49		101.21	102.10	101.36		232.37	241.29	266.85
October	134.21	140.81	170.11		106.30	99.75	100.67		240.51	240.56	270.78
November	134.68	145.04	175.47		106.12	101.82	100.63		240.80	246.86	276.10
December	130.15	146.57	178.87		108.44	104.76	100.44		238.59	251.53	279.31

Madras Clearing House Returns (In Lakhs of Rupees)

Year.	Amount.	Year.	Amount.	1940	1941
1918-19	25.48	1928-29	65.73	January	857
1919-20	33.95	1929-30	82.19	February	851
1920-21	75.79	1930-31	50.36	March	1,444
1921-22	39.54	1931-32	43.97	April	875
1922-23	45.13	1932-33	48.85	May	1,127
1923-24	55.41	1933-34	53.19	June	839
1924-25	55.96	1934-35	56.22	July	721
1925-26	56.80	1935-36	69.23	August	479
1926-27	54.53	1936-37	91.39	September	781
1927-28	59.79	1937-38	104.05	October	791
		1938-39	127.48	November	1006
				December	957

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

	1938	1939	1940
January	3,270	6,495	11,438
February	4,945	1,000	7,798
March	4,667	2,465	9,867
April	18	2,280	2,314
May	Nil	Nil	4,885
June	Nil	2,375	5,765
July	415	Nil	4
August	255	3,520	Total Purchase of Sterling in 1933
September	630	8,460	" " 1934
October	1,530	10,393	" " 1935
November	1,135	8,445	" " 1936
December	1,193	9,920	" " 1937
Total...	18,058	55,353	27,900

GOLD EXPORTS FROM INDIA (In Thousands of Rupees)

	1931	1932	1933
January	374,812,851	751,752,232	512,548,810
February	805,074,489	442,227,000	
March	1936	1937	1938
April	2,71,71	2,38,62	1,54,37
May	2,63,80	1,15,09	1,99,39
June	2,08,42	1,19,26	80,60
July	2,79,88	1,83,27	1,24,04
August	3,28,06	1,47,13	1,10,36
September	2,79,58	81,52	70,17
October	4,04,83	2,40,27	3,05,05
November	2,25,74	1,44,01	2,01,15
December	2,21,31	1,44,81	30,20
Total	2,19,07	1,30,46	2,15,90
	3,58,28	1,17,57	68,20
	1,55,71	1,65,73	38

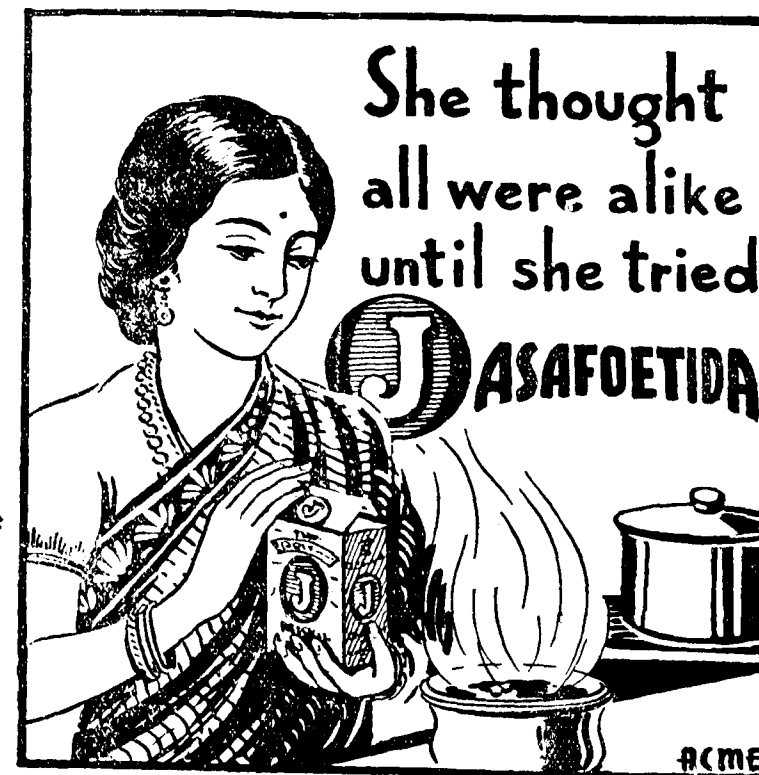
CURRENCY NOTES ISSUED IN INDIA AND BURMA (In Crores of Rupees)

	1936	1937	1938	1939	1940
January	194	204	213	293	254
February	194	208	213	205	252
March	195	208	214	207	252
April	195	208	214	207	252
May	196	207	214	207	252
June	198	208	214	211	256
July	201	212	213	214	264
August	202	213	215	223	260
September	203	213	212	228	258
October	203	214	209	248	254
November	202	214	208	221	254
December	201	214	206	253	224

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Market Reports

APPLIC OF MADRAS (3-2-1941)

Cotton Yarn—			
80's (5 lb. Bundle)	Rs. A. P.		
Madura Mills	7 13 0		
60's (5 lb. bundle)			
Coimbatore Pioneers	6 0 0		
"Laxmi"	5 15 6		
Madura Mills	6 2 0		
40's (10 lb. bundle)			
Coimbatore Mills	6 4 0		
30's (5 lb. bundle)			
Madura Mills	3 0 0		
20's (10 lb. bundle)			
Coimbatore Mills	4 3 0		
Madura Mills	5 0 0		

Cement—			
Gillingham "Hand" Brand (per cask)	20 0 0		
(per bag of 94 lbs.)	5 0 0		
"Nilgiri" Brand	1 11 0		
A. C. C.	1 11 0		
"Dalmia"	1 11 0		

Metals—			
Yellow Metal Sheets "Dittman" 500 lbs.	280 0 0		
"I. C. C."	280 0 0		
Copper Sheets	370 0 0		

Tanned Hides—			
Bangalore—8 to 8½ per lb.	0 12 0 to 0 12 6		
Up Countries	0 11 6 to 0 12 0		
Coasts—7 to 7½ lbs.	0 12 0 to 0 12 3		

Tanned Goat—			
Good, per lb.	1 4 0 to 1 5 0		
Fair, "	1 2 0 to 1 4 0		
Common, "	1 1 0 to 1 2 0		

Tanned Sheep—			
Good, per lb.	1 4 0 to 1 5 0		
Fair, "	1 2 0 to 1 3 0		
Common, "	1 1 0 to 1 2 0		

Oil Seeds—			
Groundnuts, Machined (531 lbs.)	21 0 0		
Castor Seeds	Not quoted		

Produce—			
Rice, Rangoon—Raw, Broken (220 lbs.)	11 8 0		
" Calcutta (Nagara) boiled (164 lbs.)	10 8 0		
Jaggery, 500 lbs. 1st quality	22 0 0		
" 2nd quality	18 0 0		
Horsegram, bag of 216 lbs.	5 10 0		
Turmeric, baram of 500 lbs.	46 0 0		
Pepper, Tellicherry (pure) 25 lbs.	3 2 0		
" Bydgi	4 9 0		
Ginger, Dry (Calicut) 500 lbs.	70 0 0		
Tobacco leaf, Cigar & Chewing quality (500 lbs.)	140 0 0		
Snuff quality (500 lbs.)	130 to 160		
Salt, bag of 2 maunds	3 10 0		
Pure Ghee, tin of 37½ lbs.	20 0 0		

BANGALORE (3-2-1941)

(By The Mysore Chamber of Commerce)

Silk—The market continues to be normal with moderate supply and demand. Rates remain almost unchanged.

	Rs. A. P.	Rs. A. P.
Sidlaghatta silk per seer of 26½ tolas	4 10 0 to 4 12 0	
Closepet	3 8 0 to 3 12 0	
Chickballapur	4 6 0 to 4 8 0	
Kyalanur	4 6 0 to 4 8 0	
Mudavadi	4 0 0 to 4 2 0	
Channapatna	3 8 0 to 3 12 0	
Kollegal per maund 1000 tolas	125 0 0 to 160 0 0	
Silk-waste 28 lbs.	6 12 0 to 7 4 0	

BOMBAY (31-1-1941)

(By The Millowners' Association, Bombay)

PIECE-GOODS.

Grey, Unbleached—					
	inch.	yds.	lbs.	Per lb.	Rs. A. P.
Longcloth (Standard Quality)	37	37½	9	..	0 10 9
" (Fine Quality)	44	38	7½	..	1 0 5
Shirtings	35	38	9	..	0 9 10
" (Vegetable Quality)	37	37½	9	..	0 9 10
Leopard Cloth	43	38	11½	..	0 10 1
Dhoties (upto ½" nakhi Border)	32	9	1½	..	0 10 0
" (Calcutta, ½" P. B.)	44	10	1½	..	1 1 0
Drills	29½	40	13½	..	0 10 3
Domestics	35	40	13½	..	0 9 1
"	35	40	12	..	0 8 7
Salitra	40	66	25	..	0 9 6
Chadars	50	6	2½	..	0 10 6
White, Bleached—					
Longcloth	34	40	Per Piece		13 12 0
Drill	27	42	..		9 9 4

Yarn—			
4s (All Waste)	..	Per lb.	0 4 2
6½s (")	..	..	0 4 7
8s	..	..	0 5 10
10½s	..	..	0 6 3
12½s	..	..	0 6 6
16s	..	..	0 7 10
20s	..	..	0 8 4
24s	..	..	0 8 11
32s	..	..	0 10 3
40s	..	..	0 11 2
60s	..	..	1 2 2
80s	..	..	1 11 3

(Continued on page 56)



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Proceedings of Public Bodies

APPLIC
OF

Southern India Chamber of Commerce

The following is the memorandum of points discussed with Dr. T. E. Gregory, Economic Adviser to the Government of India, at the Indian Chamber Buildings, Madras, on Saturday the 11th January 1941:—

I. TARIFF.

- i. Indian Customs revenue dominates the Central Budget. There is therefore a high level of indirect taxation.
- ii. The Indian tariff is too complicated as between tariff values, invoice values, market values, specific duties, specification of dimensions, etc. More decisive drifting towards specific duty welcome.
- iii. New export cesses contrary to Government's declared policy.
- iv. Excise duties coming into greater vogue offsetting protection and perpetuating consumers' burden.
- v. Ignorance of foreign tariffs, taxation, customs regulations, etc. Prompt publicity is required.
- vi. Different exchange values for foreign currencies at different ports in India on the same day for Customs assessment.
- vii. Sufficient notice of changes in tariff values, tariff rates, etc. to be given.
- viii. Difference in the import and excise duties on kerosene causes a loss of nearly one crore of rupees to the Indian Exchequer. It is not understood why this source is not tapped before extra taxation is attempted.
- ix. Internal tariffs and octroi duties to be minimised.

II. EXPORT TRADE.

(a) Quotas:—

- i. Export quota to be allowed to new shippers and to new markets also, as many old markets have been lost—mica, castor seeds, groundnut kernels, wool, crushed bones, curry powder, natural indigo, paper and paste board, envelopes, iron sheets and barbed wire, wolfram ore, cement etc. stand in urgent need of it.

- ii. An importer's quota should not be with reference to a particular country but should be in respect of all countries on a general basis.
- iii. Where currency conservation is not so imperative, as in the case of Japan, a full pre-war quota should be allowed.

(b) Shipping space:—

- i. Steamship agents becoming rivals in trade introduce unfair competition.
- ii. There is no fair allocation of space as between Indian and non-Indian shippers. Each shipping line favours its own nationals in trade.

(c) Claims:—

- i. Claims for overlanded rice cargo of Tuticorin merchants at Karachi by s.s. "Rajput," to be satisfied by Government.
- ii. No authoritative weighment or measurement certificate at the destination is available to shippers. Consequently re-drafts and disputes arise.
- iii. Claims of Indian tobacco consignors arising from bombing damages in London have not been accepted.

(d) Foreign Markets:—

- i. India to conclude trade treaties with United States of America, Australia, Canada, East and South Africa, Afghanistan, Iran, Iraq, etc.
- ii. Museum of Indian goods to be maintained at the office of each Indian Trade Commissioner abroad.
- iii. Interests of consignors from India at the destination to be safeguarded either by Trade Commissioners or banks.
- iv. More Indian Trade Commissioners to be appointed.
- v. Offices of Indian Trade Commissioners abroad to be more fully staffed.

III. SURPLUS PRODUCTION.

- i. Coffee restriction scheme now in operation is defective as the palliative of restriction in production is no lasting relief to agriculturists. What is required is to find out new markets and new uses.

- ii. Minimum price for groundnut is a dismal failure. Government of India should take up the agency of the Food Ministry, purchase groundnut on tender system. The difference in price may be funded to subsidise cultivators on an acreage basis.
- iii. Commodities requiring urgent outlets are:—sugar, coffee, coir, groundnut, castorseed, oilcakes, indigo, senna leaves, myrabolams, nuxvomica, dividivi, turmeric, tobacco, ginger, pepper, wool, carpets, mica, manganese, etc.

IV. STATISTICS.

- i. Present monthly trade returns are too meagre.
- ii. The Madras annual statement of sea borne trade to be revived.
- iii. Deletion from the Indian Trade Journal of weekly arrivals and despatches of commodities at important centres has left a wide gap.
- iv. Progressive totals to be published in the Madras monthly statement and supplement.
- v. Omission of rice and grain figures from daily and monthly list is undesirable.

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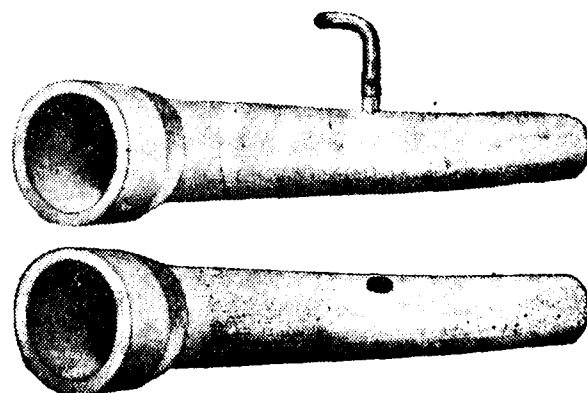
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News and Notes

APPLICATIONS FOR PRIORITY OF SHIPMENTS OF TANNED HIDES

It is notified that Mr. G. G. Armstrong, O.B.E., M.E., V.D., M. Inst T., Chairman and Traffic Manager, Madras Port Trust, has been appointed by the Ministry of Supply to act temporarily as the Ministry's representative to determine the priority of shipments of tanned hides. Application for priority should be submitted to him.

Intending shippers should produce to the Ministry's representative the original invoice or consignment letter and the freight priority stamp will be affixed only if the invoice or consignment letter relates to the selections and averages stated below:

Tanned Cow Hides.—Prime Bangalores average $8\frac{1}{2}$ pounds and $10\frac{1}{2}$ pounds in seconds, thirds, run, fourths and fifths.

Coconadas average $10\frac{1}{2}$ pounds in seconds, thirds, run and fourths.

Best Bangalore average $8\frac{1}{2}$ pounds and $10\frac{1}{2}$ pounds in seconds, thirds, run and fourths.

Prime Bangalores average $4\frac{1}{2}$ pounds and $5\frac{1}{2}$ pounds in seconds, thirds, run, fourths and fifths.

Coconadas average $6\frac{1}{2}$ pounds in seconds, thirds, run and fourths. Coconadas average $4\frac{1}{2}$ pounds and $5\frac{1}{2}$ pounds in seconds, thirds, run, fourths and fifths.

Best Bangalore average $4\frac{1}{2}$ pounds and $5\frac{1}{2}$ pounds in seconds, thirds, run, fourths and fifths. Inferior fifths in averages of $4\frac{1}{2}$ pounds and $5\frac{1}{2}$ pounds.

Tanned Buffalo Hides.—Prime Buffalos in averages $10\frac{1}{2}$ pounds and $12\frac{1}{3}$ pounds in seconds, run and thirds. Coco Buffalo averages $10\frac{1}{2}$ pounds and $12\frac{1}{3}$ pounds in seconds, run and thirds. Best Buffalos averages $10\frac{1}{2}$ pounds and $12\frac{1}{3}$ only in seconds and run.

Tanned Cow Calf and Buffalo Calf.—All selections and average weight up to 3 pounds.

All items are of equal priority and there is no priority list at present for raw hides and tanned goat and sheep skins.

BACKWARDNESS OF CEDED DISTRICTS

The Madras Famine Code Revision Committee 1938 have pertinently referred to the industrial backwardness of the Ceded Districts. They remark as follows:—

"236 of the 248 factories coming under the Indian Factories Act in the 4 districts are

engaged wholly or partly in pressing cotton or decorticating groundnuts and extracting oil. We note that 155,000 tons of groundnuts and 29,000 tons of cotton were exported by rail from the 4 districts in 1936-'37. We are strongly of opinion that 3 or 4 spinning mills should be started in Tadpatri, Bellary, Nandyal. This step would not only provide permanent employment for 1,440 men per mill and directly help the handloom industry in the neighbourhood but indirectly stimulate industry and trade in the surrounding parts of the country. There are 14,000 handlooms in Bellary and Anantapur Districts alone.

"We were struck by the flourishing appearance of the avaram along the road margins in a countryside otherwise entirely devoid of vegetation. This plant thrives on any kind of soil and can survive severe drought and grow to a height of four or five feet in two years. It is thus almost the only plant which is ideally adapted to conditions in the unirrigated portions of the Ceded Districts, so that the possibilities of its exploitation for industrial purposes should obviously be carefully explored. Avaram bark is now extensively used for the tanning of good quality skins and for tanning hides for local consumption. We are surprised to learn that about two-thirds of the avaram bark now used in this province comes from Mysore and Hyderabad and we consider that the reason for this curious state of affairs should be carefully examined, and immediate steps taken to remedy whatever the defects in the local product may be. It has been suggested that as avaram now grows wild, the cost of collection is probably unduly high. We consider that the possibility of organizing plantations in Kurnool, Bellary, Anantapur and Cuddapah merits close examination both as a means of improving the quality and reducing the cost of the bark. Ryots should also be encouraged to grow avaram in waste lands adjoining their holdings and on the margins of fields and the co-operation of the Agricultural and Forest Departments should be enlisted to determine the best conditions for the profitable development of the crop.

"There are one or two small scale village industries which should be encouraged or revived. The glass-bangle industry once flourished in many villages of the Ceded districts. It would probably do so again if block glass could be supplied at a sufficiently low price. The possibility of reviving the industry through

News & Notes

a glass block supply from the Jamal Glass Factory at Madras or some other factory may be considered and demonstrations of improved methods in manufacture of glass bangles as a cottage industry may be arranged. It might also be possible to establish a glass factory in Anantapur district making use of silica from the Pennar river."

PETROL RATIONING

A Press Note says: The Petrol Rationing Conference, which assembled in Delhi on January 10, ended its deliberations to-day. The conference was attended by representatives of the Central Government, the Provincial Governments, the Indian States, the various Automobile Associations, and the Indian Roads and Transport Development Association. The problems connected with the introduction of a rationing scheme in India were thoroughly examined, and conclusions were reached which would enable the Government of India to undertake the preparation of a formal scheme. As has already been explained, the scheme is to be worked out in detail and kept in readiness for introduction, should an actual emergency arise.

The United Press learns that five major questions relating to 'rationing' were discussed, including how far 'bulk' rationing' unaccompanied by a full rationing scheme is likely to prove effective, whether a full rationing scheme is possible and if so on what principles should motor vehicles be classified into categories and sub-categories, and how the actual supply be regulated. With a view to restricting supplies, the suggestions from the Central Government were that the first step be 'bulk rationing' of motor spirit. Oil companies should undertake a uniform reduction of the supplies allotted by them to each territorial unit. The percentage of reduction should be fixed by the Central Government. It was suggested by the Central Government that motor vehicles owned by the Central Government and used for defence purposes be exempted entirely, and that other motor vehicles owned by the Central and Provincial Governments should be exempted subject to executive orders making effective reduction in consumption. Exemptions are understood to have been suggested to be extended to fire-brigades, school services, ambulances and doctors. A lump monthly allotment it was urged, should be made to local authorities. The Provincial

Governments and the Chief Commissioners Provinces generally agreed that 'bulk rationing' unaccompanied by a full rationing scheme would be ineffective and lead to disputes and difficulties. The classification of vehicles proposed by the Central Government was generally agreed to, with the suggestion that there should be sub-categories based on horse-power or the mileage run by vehicles. The Provincial Governments also agreed to under-take the detailed work required to give effect to the proposals. Coupon system for regulating actual supply and for necessary check over vendors was approved by the conference as the best method of controlling supplies.

(Continued from page 51)

COCANADA

(30-1-1941)

(By The Godavari Chamber of Commerce)

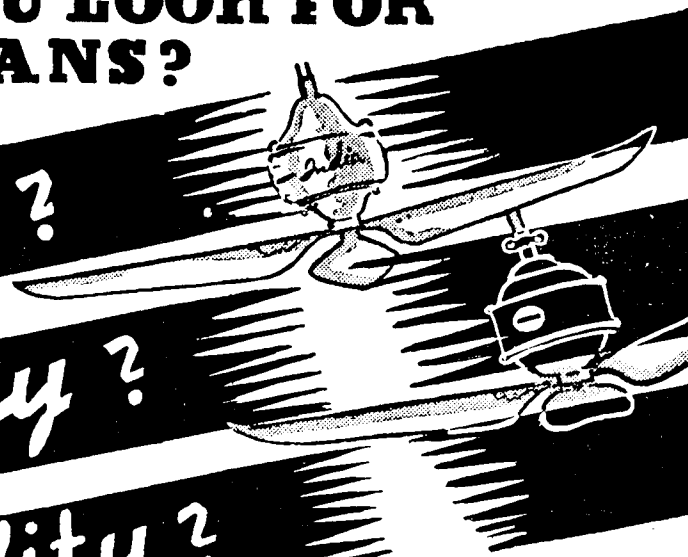
	Rs.	A.	P.
Per bag of 166 lbs. nett Loose			
Sarva Paddy	...	5	14 0
Dalva Paddy	...		Not quoted
Garikisannam Paddy	...		Not quoted
Per bag of 164 lbs. nett Loose			
Raw Rice No. 1 (Mill) With gunny	...	13	2 0
Horse Gram with gunny	...	4	3 0
Bhoot Gram	...		Not quoted
Green Gram	...	7	0 0
Black Gram	...	7	8 0
Red Gram big	...	5	4 0
Raggy	...	1	0 0
Fenugreek	...	1	0 0
Mustard	...	10	0 0
Coriander Seed	...	11	0 0
Castor Poonac Loose	...		Not quoted
Gingellyseed Pyru with gunny	...		Not quoted
Cottonseed per bag of 150 lbs. nett with gunny	...		Not quoted
Per Candy of 500 lbs. nett			
Cane Jaggery	...	17	8 0
Chillies Country Loose	...	3	12 0
Turmeric	...	1	8 0
Castor Oil (Factory)	...	66	0 0
Coconut Oil	...	4	9 0
Groundnut Oil	...	50	0 0
Ghee No. 1	...	220	0 0
Per Candy of 550 lbs. nett			
Gunnies H. C. 40x28	...	34	12 0
Chittivalsa D. W. 40x28	...	29	12 6
Yellow Metal Sheets 20 to 60 lbs. per ton	...	1,300	0 0
Parry & Co. Sugar per bag of 226½ lbs. including Gunny	...	27	0 0
Gold Musa per tola	...	41	8 0
Horse Sovereigns each	...	28	11 0
Silver Bullion per 100 Tolas	...	64	4 0

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