THE INDUSTRIALISTS

SEP- 1950.

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Wait for Special Edition of THE INDUSTRIALIST — Anniversary Number to be Published in October 1950

A special Anniversary Number of 'The Industrialist' containing articles from prominent Publicists, Industrialists, Scientists, and Ministers, will be published on or about the 20th of October 1950, in place of the usual October issue published on the 15th October which will not appear on that date.

Solution of Korean Tangle

Pandit Nehru suggests to have the Korean affair settled even outside the Security Council, but in conformity with U. N. O. principles.

THE W.C.I. ASSOCIATION

NOTICE

The West Coast Industrialists' Association, Calicut is undertaking a census of handicaps to production existing to-day in several Member-Factories—such as lack of finance, lack of raw materials and machinery, bottle-neck of transport, heavy taxation, and labour problems. The members are requested to communicate to the Secretary their individual problems.

Ed. 'The Ind.'

Editor's Jottings

Mobilise Opinion Against Profiteers

WITH increasing costs practically of all consumer goods in India, mainly due to the scare of the Korean war, the cry every-where is *how to halt*. Though the recent Ordinance empowering Govt. to take summary action against hoarders and profiteers should be welcome, a difference has to be made between goods — essential and non-essential, luxury articles and non-luxury articles, and food-products and non-food products. The question of effective control of prices and distribution would mainly depend upon larger supplies. Take for example, the case of food-grains which are essential, where the prices and distribution are controlled. Do the Govt. think that an effective control has been possible without larger supplies and quota, and an efficient machinery to control them? Take again the case of *bi-cycles* which are now brought under the Ordinance. There are certain imported cycles for example, which have a premium in the market, as they had built up a reputation, as compared to others. Here again the question is the need of the consumer who should be assured of a competitive market. Various methods have been tried to bring down the prices in U. K. France and other countries which should be tried in India. Firstly, is the fixing of prices at all urban centres of all essential commodities by statutory committees of officials and non-officials, secondly, is the need for entire prohibition, at least for the time being, of certain costly goods, where cheaper goods or substitutes are available, thirdly, is ensuring larger supplies to the market of all essential goods, fourthly, sales through Co-operatives only of essential goods but controlled by the State, and fifthly, creating public conscience through organised Associations of industrialists and businessmen. All these methods should be tried all together, on the basis of a classification of essentials and non-essentials, and luxuries and non-luxuries, if control of prices should succeed.

Prices in Madras

So far, in Madras prices of the following goods have been declared as on 15th June 1950, and other goods in the list have been frozen without any indication of prices. Prices of goods are :—

BI-CYCLES			
I.	Raleigh	Rs.	305/-
	B. S. A.		265/-
	Hercules		260/-
	Phillips		240/-
	Armstrong		235/-
	Herman		215/-
II.	Napolean Pearl, Royal London, Dayton and Milner		215/-
III.	Robin Hood		260/-
IV.	Hind Cycles		140/-

Razor Blades (7o'clock)
Re. 1/- per packet of 10 blades.

Glaxo (small size)	Rs.	3/12 each
(big size)		7/4 "
Horlicks		3/9 "
Cow & Gate		4/9 "

ELECTRIC BULBS

Watts		*Price*
15 and 25	Rs.	1/2 each
40	"	1/5 "
60	"	1/7 "
75	"	1/11 "
100	"	2/- "
150	"	3/7 "
300	"	5/7 "

Proposal for a Capital Levy

We invite the attention of the readers to an article on the above subject from Mr. V. S. Nataraja Mudaliar. There have been loose suggestions emanating recently from the so-called socialistic wing of political thought in India, that a Capital Levy i. e. a duty on capital and industry and expropriation wherever possible, should be resorted to for meeting all *Capital expenditure* in the country. This proposal, more or less a copy of the Socialist programme in U. K. and France, is unfortunately based on a number of misapprehensions, so far as this country is concerned. Firstly, the percentage of rich class in India—property owners and holders of shares—paying say, supertax is hardly 5% of total tax-payers in India. Secondly, the amount of investment on such properties is hardly 50 crores of rupees according to a recent estimate (out of a total assessed value of all income-earning properties of 4000 crores) which would give 2% only of the total national income. Thirdly, the essential question is that with a heavy income-tax and super-tax of 14 as. in the rupee on personal incomes, whether there is any chance for getting more by way of capital levy. Obviously, any additional taxation on capital in this country would make capital more and more shy for capital formations, urgently called for industrial expansion.

If the Govt. needs capital for big projects, housing programmes, and refugee settlement, while the Govt. administrative expenditure should be cut down drastically, capital should be tempted from all ranks of society for development of industries — as savings, particularly after the last war, are now distributed evenly between all and sundry. Public loans and foreign investments should be canvassed, guaranteeing all possible concessions which the Govt. could give, mainly for investments which could be renumerative and where loans themselves could be returned by easy annuities.

Fix Price of Casein

The Plywood Manufacturers have asked the Govt. of India to fix price of indigenous *casein*—an important raw material for Plywood industry—at not more than Rs. 2500/- a ton, as it has now soared even to Rs. 3500/- after the Korean War.

Mr. V. S. Nataraja Mudaliar

Member, Committee of the W. C. I. A. writes :—

To

THE EDITOR, 'THE INDUSTRIALIST'

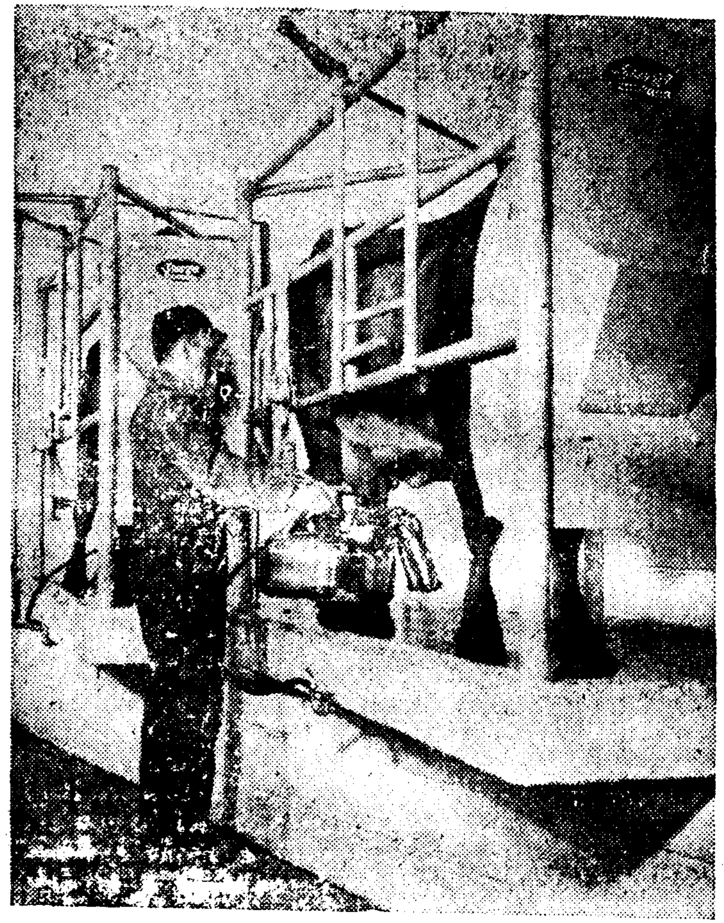
SUBJECT : **CAPITAL LEVY AND REHABILITATION OF REFUGEES — NOT POSSIBLE — BETTER LEVY SALT DUTY**

Recent references in the Press to 'CAPITAL LEVY' is a timely reminder that one of the most important problems facing the country has to be tackled in a far more realistic and full - hearted manner than has been done hitherto. The plight of the Refugees and the situation caused by mass migration is a poignant chapter in our History and unless the whole country bestirs itself the situation will become incapable of any lasting solution.

Rehabilitation of the Refugees requires dynamic planning and execution backed up by substantial capital. The suggestion of the Congress President-elect i. e. that a capital levy should be made is not quite fair. After all, the proportion of those who have some capital asset in our country is infinitesimal. Taking the Income-tax figures, we find that the total number of assessees in the whole of India is hardly 1/5 of one percent of the population. At this time when due to the burden of taxation and other causes, our Annual National Savings are at a low ebb, it would be positively harmful to make a Capital Levy which step is generally resorted to at times of grave emergency. Alternatively a suggestion recently made by Mr. C. S. Rangaswami the noted Economist deserves serious consideration. His plan was to reimpose the Salt Tax which would contribute an annual Revenue of Rs. 10 crores and on the strength of this tax raise a large loan of, say, Rs. 100 or 150 crores. In view of the fact that every Indian to-day has a moral duty to discharge to the Refugees whose future was deliberately sacrificed by us when we agreed to partition, the reimposition of the Salt Tax seems to be absolutely sound and justifiable. The imposition of this] Salt Tax requires courage by the Congress Party. It is to be hoped that they will rise to the occasion.

NEW OFFICE ACCOMMODATION FOR THE W. C. I. ASSOCIATION

The offices of the Association are now permanently located in Old Empress Hotel Buildings (Upstairs), Empress Hotel Road, near Beach, Calicut.



A new, efficient, and sanitary system for milking cows has been developed for use by dairymen in the United States. Special milking platforms are built about 30 inches off the floor, and there is an individual stall for the cow being milked. The platform enables the dairyman to wash the cow in preparation for milking and operate the electric milking machine without bending over. Cows enter the milking barn one at a time through a "runway" that leads from the barnyard. Thus the cows move to the dairyman rather than the dairyman moving to the cows, and this saves many hours of milking time.

The photograph shows a dairyman in the midwestern State of Minnesota milking two of his herd of 15 cows in a two-stall milking barn. Eight cows can be milked in one hour at each stall. The cow eats while being milked, and feed is poured in through the chute (right). Running water enables the dairyman to keep the stalls, floor, and walls clean. The milk is taken to an adjoining milk room for cooling immediately after each cow is milked.

Handicaps to Industrial Development in India

(FOURTH SERIES)

[This is the fourth set of three articles contributed to the "The Industrialist" from eminent publicists on 'Handicaps to Industrial Development in India'. The first set published in the June Issue of "The Industrialist" dealt with Capital Formation, and the second set in July Issue with Rationalisation of Industries, and the third set in August Issue with Labour Problems. This set deals with general problems connected with Capital Industries. — Ed. The Ind.]

Causes and Cure for Low Production

BY

PROF. P. C. JAIN

The economic crisis in India can be overcome if industrial production is increased. It will make it possible to increase the supply of goods in the internal market and thereby bring down the price level which is constantly increasing. It will also make it possible to increase the export of Indian goods to foreign markets and earn foreign exchange.

In the first three years of independence industrial production in this country remained low. During the war a greater level of output was obtained in many industries and installed capacity was used to a fuller extent than at the present time. In most industries production is below the war-time peak levels and considerably below the installed capacity. As figures in Table I show, the production in the case of coal, cement and certain heavy chemicals has increased but in the case of cotton cloth and yarn, jute goods, steel, and paper, it has fallen. In the case of these industries production on the basis of present trends, is not likely to increase even in the current year. In this connection it is worth notice, as figures in Table II show, that the man-days lost through industrial disputes in 1949 numbered only 6½ million as against 16½ million in 1947, the units of electric energy sold for industrial use amounted to 2,573 million K. W. as against 2,220 million K. W. hours and the number of railway-wagons loaded numbered 10 million as against 8 million. This shows that the facilities available to industry in 1949 were greater than in 1947. Industrial production has not increased in spite of this.

What is the cause of this low industrial production and how can it be overcome?

CAUSES OF LOW INDUSTRIAL PRODUCTION— RAW MATERIAL DIFFICULTY

There are a number of complex causes and therefore the solution has to be many-sided. In case of jute and cotton textile industries, the main cause of lower production is shortage of raw material created by the attitude of Pakistan. The Indian jute mills require a little more than 7 million bales of raw jute per annum while internal supply is a little less than 3 million bales. Local production of raw jute has increased from 1.7 million bales in 1947-48 to 2.15 million bales in 1948-49, 2.9 million bales in 1949-50 and is further expected to increase to 5 million bales by 1951. In the case of the cotton textile industry, the annual mill requirement is 4.5 million bales while internal production of raw cotton is only 2.6 to 2.8 million bales. It is expected to increase to 3.2 or 3.4 million bales in 1951. In the case of both these industries, in spite of an increase in the local production of raw material, we will have to depend on imported raw materials for a considerable time. There is nothing wrong or unusual in this, as the textile industries in Great Britain and Japan depend on imported raw materials. But in the case of India difficulty has been created by the unreasonable attitude of Pakistan. It is possible that with an improvement in Indo-Pakistan relations, it would be possible to increase imports of raw jute which is still very small, and thereby increase production of jute goods. It is possible to import cotton from other countries though at slightly higher prices and production of textiles goods and yarn in India can be increased even if Pakistan cotton is not available. This raw material difficulty of Indian industry will take time to be resolved.

DEFECTIVE PRICE POLICY

It is possible to set right the handicap which Government's defective price policy imposes on industry. In the case of sugar, cotton textile, iron and steel, paper and cement industries, there has been a serious disparity between costs of production and prices. In the case of sugar industry between 1942-43 and 1949-50 the price of sugarcane was increased from annas 8 to Rs. 1-10 per maund, while the wages of unskilled labour alone were increased from Rs. 15 to Rs. 55 per month in the case of U. P. and Bihar which are the two chief producing Provinces. But the price of sugar was not increased proportionately. The natural consequence has been a fall in the output of sugar. In the current year it was desired to increase sugar production to 10.1 lakh tons, but as the price of sugar was not fixed at a remunerative level, production is expected to amount to less than 10 lakh tons. In the case of the cotton textile industry, the prices of cloth and yarn were reduced in 1949 in spite of the fact that the mills could not get raw cotton in the market at the fixed prices and had to pay more. This has reduced the output of cloth and yarn. The Government of India increased the price of raw cotton for the 1950-51 season from Rs. 620 to Rs. 770 per candy. This recognises the *de facto* situation in which the mill-owners had to pay higher than the controlled price. It was necessary along with this increase in the price of cotton to increase the prices of cloth and yarn. This has not been done. An increase of 10 to 15 per cent in the cloth prices was announced in August 1950 but that does not compensate the mill-owners for the higher raw material prices. There is somehow a misconception and confusion in the mind of Government officials that the industry can continue to charge low prices in spite of high raw material prices and high wages. The Government has never cared to explain how this magical effect can be produced. There is no doubt that the consumers cannot pay higher prices. But prices can be kept low only if costs of production are kept low. For this it is necessary to revise methods to increase the yield of sugar-cane and cotton and other crops per acre of land and to control the prices of other chemicals and materials. The Government does not do all this but fixes low prices for finished goods. The inevitable consequence is a fall in production. Production cannot be increased unless this policy is revised. The millowners should not be allowed to make excessive profits but at the same time profits should not be reduced to such a low level that it would not be worthwhile for them to produce.

LABOUR ATTITUDE

Another very important cause of low production is the attitude of labour. With the achievement of independence, labour has begun to feel free to act as it likes. The Government has, to a large extent, been responsible for increasing the sense of irresponsibility in labour. In all industries

efficiency has declined from one-half to one-third of the war-time efficiency. Labourers waste their time in gossip and do not put in the required amount of work. The foremen labour officers and works managers are quite helpless. Due to waste of time the per capita daily output has fallen and cost of production per unit of output risen. Both these lead to lower production. The number of man-days lost through industrial strikes has fallen from 16-1/2 million in 1947 to 6-1/2 million in 1949 but production has not increased because labourers have deliberately gone slow. They should get higher wages but at the same time they should put in honest work. It is not possible for Indian industry to pay higher wages and get less work done. This way leads to ruin. Labourers in the U. S. A. and Great Britain have at no stage of their country's industrial development behaved as Indian labourers have behaved. Something will have to be done to change the mentality of Indian labour, without which it would not be possible to increase production and reduce costs.

In the beginning, the Government tried to humour labour by agreeing to most absurd conditions. The result has been disastrous. In recent months the Government seems to have realised its error. But the labourers are not now willing to agree to the dictates of common sense. They have opposed even the proposed Labour Relations Bill which does not in any way harm labour but only tries to bring some order to a confused state of affairs. Unless labour leaders change their attitude and take a broader view of their responsibilities, it will not be possible to overcome the production crisis.

GOVERNMENT AID

Industry in every country of the world get Government help in its growth and development. In India, in spite of the achievement of Independence, the attitude of Govt. towards industry continues to be step-motherly. It was after much agitation that dividend limitation was withdrawn and the incidence of taxation on industry and on people in higher income groups who are mostly responsible for bringing industries into existence, was reduced. Even now the sales tax in the States is proving quite harmful to industry. If it cannot altogether be removed, its effect on industrial development should be reduced to the minimum. Government has given tariff protection to industry but it has been half-hearted. The Fiscal Commission has recommended broader conditions of protection and if they are accepted industry will get an opportunity to expand. The British Government in the pre-Independence period was not interested in the industrial development of the country. The pity, however, is that even the national Government has not done anything effective to help this process. Sufficient help has not been given in technical research and training which are the very life-blood of industrialisation and on which for various reasons Indian industrialists have not been able to spend adequate amounts of money. Industry in the U.S.A., U. K. and other industrialised countries of the world has received Government subsidies in deserving cases. The Government of India has not given such subsidies even in the most deserving cases. The Fiscal Commission has made a definite recommendation that a Development Fund should be created by setting aside every year a portion of the revenue from protective tariffs. In certain cases, cash subsidies may be given to industry out of this fund. This recommendation deserves careful consideration of the Government. There has been too much talk of industrialisation. A number of blue-prints have been drawn up. Quite a large number of conferences have been held. What we now need is some effective programme to increase the production of existing factories and the setting up of new factories in the existing and other industries where conditions justify.

TABLE I
SELECTED STATISTICS OF INDUSTRIAL PRODUCTION

Industry	Unit	1946	1947	1948	1949	1950
Coal	Million Tons	28.90	30.00	29.80	31.40	32.00
Steel	Million Tons	1.30	1.25	1.25	1.35	0.96
Cotton Piece-goods	Million Yards	3908.5	3762	4319	3906	3688
Cotton Yarn	Million lbs	1367	1296	1448	1360	1214
Cement	Million Tons	1.54	1.45	1.55	2.1	2.6
Paper & Paper Board	Thousand Tons	106.0	93.0	97.9	103.2	91.4
Sulphuric Acid	Thousand Tons	60	60	80	79.6	100
Soda Ash	Thousand Tons	12	13.62	29	18	45
Caustic Soda	Thousand Tons	2.9	3.3	4.4	6.3	10
Machine Tools	Value in lakhs of Rs	91.25	45.9	54.7	47.1	(a)
Bicycles	Numbers in thousands	50.6	48.8	64.7	94.1	97.0

Provisional.

* Estimated to be achieved on the basis of figures for the first quarter.

(a) Not available.

TABLE II
SOME INDICATORS OF INDUSTRIAL ACTIVITY

		1947	1948	1949
Industrial Disputes				
(a) Number of Disputes	..	1811	1259	920
(b) Number of workers involved (In Thousands)	..	1841	1059	686
(c) Man-days lost	..	16563	7840	6601
Units of Electric Energy sold* (In Million Kilo-watt-hours)				
(a) Industrial Power	..	2220.2 (a)	2471.9	2573.4
(b) Other uses	..	1254.3 (a)	1305.8	1453.2
(c) Total	..	3474.5 (a)	3777.7	4026.6
Number of Railway Wagons loaded* (In Thousands)	..	8061	9089	10185

*Figures refer to the financial year

(a) Figures after January 1948 refer to the Indian Union

Regulated Purchase of Cotton by Mills

We hear that the Govt. of India have decided that the hoarding of Kapas beyond a certain limit by Mills is an offence, that movement of cotton should be by permit only, and that a Central Advisory Board with representatives of Mill-owners and Cotton Associations should be set up with regional Boards to watch all transactions in raw cotton.

(2)

ENGINEERING INDUSTRIES

BY

Dr. B. V. Narayanaswami Naidu, Ph. D.

Industries may be classified under two broad groups: the chemical industries and the engineering industries. Between them these two groups cover almost all the industries in the country. The term engineering industries is not so well-defined as the term 'chemical industries. In its broad sense, it includes all industries which are not chemical industries. A further differentiation may therefore' be made between metallurgical industries and the other engineering industries. Metallurgical industries include iron and steel and non-ferrous metal industries like aluminium. This group of industrses is excluded from the present survey not only because it is fairly distinguishable from the rest of the engineering industries but also because it comprises of industries which are basic not merely for the engineering group of industries but also for the chemical group. Even after this elimination, we are left with a large number of industries ranging from the manufacture of aeroplanes to the manufacture of small tools and it is not, therefore, possible to deal with each of them separately. In the following paragraphs, a few of the more important branches of engineering industries are therefore dealt with.

STRUCTURAL ENGINEERING

The structural engineering industries in India is mostly located in and around Calcutta. This is mainly due to the fact that the chief materials required in construction are manufactured near that area. The most important materials required are sections, plates, bars of steel, bolts and nuts, rivets, paints etc. Excepting electrodes of special high qualities and special steels of certain descriptions, the rest of these materials are produced in India. The demand for structural engineering products is elastic, varying considerably with the development schemes the Government may be contemplating, the existence or absence of war-time conditions, and the general level of economic prosperity in the conutry. Indigenous production is mere or less sufficient to meet normal requirements. Prior to the war, owing to lack of demand, the industries had a struggling existence. There was hardly any demand for indigenous structures from the public and whatever demand there was, came from the public works deparments of Governments. With the expansion schemes that the Governments Central as well as State, have in view; we may expect that the industry will get a stimulus. Whether it will be able to benefit from this stimulus depends on its ability to produce quality material and sell it to the consumer at or below the prices at which he can obtain it from foreign countries.

AUTOMOBILE INDUSTRY

Motor cars, trucks, motor bicycles etc., have long been a heavy drain on our foreign exchange resources. With the increase in the internal purchasing power, the demand for cars has been rapidly increasing. The demand for trucks even in peace times has by no means been small. With improvements in roads and the expansion of internal trade it is bound to increase. In times of war, this industry would be an invaluable asset to any country. Until 1938, however, all our requirements of cars and trucks were met by imports. During that year, an attempt was made by an Indian concern to manufacture automoblies in India in conjunction with an American automoblie construction company. This attempt was, however foiled due to the disinterestedness if not active opposition of the Government then in power. The outbreak of hostilities in 1939 practically killed it. Attempts were revived in 1942, but met with a similar fate.

The persistence of certain Indian interests, however, in this field has borne fruit and at present there are two principal concerns interested in the manufacture of automobiles in India. One is Hindustan Motors Ltd., registered in 1942 with an authorised capital of Rs. 20 crores. This company has entered into agreement with Morris Motors Ltd., England, and Studebaker Export Corporation, U. S. A. for technical assistance. Though considerable progress has been made, at present the production of this company is confined to the assembly of cars, trucks and manufacturing of some parts. The other principal concern interested in this line is the Premier Automoblies Ltd., Bombay. This company proposes to manufacture automoblies in India in addition to its other activities like buying, selling, importing, assembling, distributing, and dealing in automobiles. It was registered in 1944 with an authorised capital of Rs. 10 crores and is connected with the Chrysler group of U. S. A. who are manufacturing Dodge, De Soto etc. The assembly plant of this company started operations in August, 1947. It has also taken up the manufacture of some parts such as shock-absorbers, muffler radiators, cushion springs, etc.

The manufacture of automoblies in India is fraught with many difficulties. In Western countries, a company engaged in the manufacture of automobiles need not engage itself in the manufacture of all the component parts required by it. Usually, there are a host of companies specialising in the manuture of components from whom these can be obtained readily. An Indian company on the other hand will either have to depend on imports in which case it will develop as an assembling plant only: or in the alternative, it will have to manufacture all the component parts itself which would prove very costly. The buyer has a number of specialised models to choose from and it would therefore, be necessary for the Indian concern to devote its attention to put on the market not one model but a number of models suited to different tastes and different pockets. The manufacture of trucks and other public vehicles on the other hand is not so varied and it is possible to enter the market even with one well-made model.

There is also the difficulty of small-scale production. The manufacture of automobiles is an example of the benefits accruing from mass production and increasing returns. An Indian company will have, at least in the beginning, to content itself with small-scale operation which in the aggregate cannot be expected to produce more than 20,000 or 30,000 units per year. Now, this is a number which is produced by a single concern in a week in America. Consequenty, the overhead charges of an Indian concern will be many times more than those of its American counterpart. As against this disadvantage, there is the advantage of cheap labour for the Indian concern. But owing to the increase of wages in the country during the past few years, even this advantage has not been very striking at the moment.

There is ample evidence to show that the shipbuilding industry in India was in a flourishing state in ancient times. Due to various causes, this industry was so completely ruined that in the modern period there is no trace of it left. In recent years, however, there has been some progress in shipbuilding. The shipbuilding yard at Vizagapatam has been able during the last three years, to build five ships on its own and launch them. The ships built there have, however, been unusually costly. The first ship, 8,000 ton Jala-Usha cost Rs. 68 lakhs. This is stated to be nearly double the cost of a British ship of the same type and tonnage. In course of time, however, the industry hopes to overcome these difficulties and reduce its costs.

AERO-NAUTICAL ENGINEERING

Even in Western countries, this branch of engineering has been of recent growth. In India, it is entirely a war-time development. There was absolutely no equipment for the manufacture of aircraft in India before the war, and the few repairing units were defective and inadequate. During the war, and particularly after the entry of Japan into the war in 1942, allied operations in the East assumed such proportions that it was necessary to build up this industry in India rapidly. A private American concern undertook this work in Bangalore in 1940. Very soon the Government of India and the Government of Mysore were drawn into this venture. The Hindustan Aircraft Ltd., under which name the concern started operations, began as an assembly plant, manufacturing aeroplanes from imported parts. The first aeroplane was manufactured by this concern in 1941. Various difficulties such as lack of the necessary expert technical personnel and want of quality raw materials and the need for giving absolute priority for servicing, repairing and overhauling, the Allied aircraft operating in the East forced the concern to give up the idea of manufacturing aircraft. In 1942, the private partnership in the concern was brought out at the instance of the American Lease-lend Administration. At present, it is a joint concern of the Government of India and the Government of Mysore the former owning two-thirds of the capital invested.

LIGHT ENGINEERING

We have so far dealt with a few of the more important branches of industries which belong to the heavy engineering group. There are some more industries under this group like the manufacture of locomotives and specialised types of machine tools in which progress has been slow. Considerable progress has however, been achieved in the production of light engineering products such as sewing machines and electrical accessories. Even here, progress has been in varying degrees and stages. While in some cases, the quality of the product has been so perfected as to be almost on a par with European products, in many other instances, we have to make much lee-way before we can hope to make substantial portion of the indigenous demand in a way satisfactory to the consumers.

[3]

Manufacture of Automobiles

PROGRESS OF INFANT INDUSTRY

Govt's Policy of Protection

For the defence of India's hard-earned freedom and for her general economic development, the growth of an independent automobile industry is most important. The Government of India therefore attach the greatest importance to assisting the development of this vital industry.

When compared with the advanced countries like the U. S. A. and U. K. automobile industry in India is in an infant stage. Before World War II there were only two factories in India i. e., Messrs. General Motors Limited and Messrs. Ford Motors Limited, who were engaged in the assembly of motor cars and trucks. At present there are 12 firms which are engaged in assembling automobiles.

The assembling capacity for cars and trucks before the Second World War was less than 30,000 annually. Now it has gone up to about 30,000. The paid-up capital of all these plants is Rs. 920 lakhs.

The automobile industry has expanded a great deal during the last few years. In

1944, the first Indian automobile firm, Hindustan Motors, floated in Calcutta with an authorised capital of Rs. 30 crores. The firm entered into a technical assistance agreement with Nuffields of the U. K. and Studebakers of the U. S. A. Although practically the entire equipment had been received in India before the end of 1946, the firm did not start the installation until after the partition of the country. About the end of 1948, the factory was ready to start.

At present the installed capacity of the firm is 16,200 vehicles. Their paid-up capital is Rs. 497,99,700 and they assemble Studebaker cars—Champion and Commander—Studebaker trucks and Hindustan 14 H. P. cars. They assembled 2,362 cars and trucks in 1948 and 2,516 in 1949.

Another Indian firm, Premier Automobiles, came into existence in the year 1946, with an authorised capital of Rs. 5 crores. They had entered into a technical aid programme with Chryalers of the U. S. A. Their programme was split up into these stages:—(1) manufacture of simpler parts such as radiators, tall-pipes, exhaust mufflers and petrol tanks, (ii) more difficult parts such as transmission springs, smaller body brushings, breaks and forgings and (iii) Engines, Machinary for the first stage was ordered in the same year and by September 1947 the installation was ready for the first stage. The bulk of the machinary for the third stage was ordered last year. Their plant has a total capacity of 12,600 cars and trucks annually (Dodge, Desoto and Plymouth cars and Dodge Desoto and Fargo trucks).

MADRAS VENTURE

A third Indian unit appeared on the scene in 1948. This was Ashok Motors of Madras which was to be mainly an assembly plant to begin with but intended to undertake manufacture of components for building up Austin cars and trucks in India with the help of other components available in the country from the other Indian firms. Their assembly plant started operation in September 1940. It has a total capacity of 6,000 cars and trucks annually and the paid-up capital amounts to Rs. 32,39,515.

Two other firms, one Indian and one non-Indian, have also shown interest in the development of the automobile industry in this country. The first one was Messrs. Standard Motors Company (India) who were permitted to put up an assembly plant in 1946. The assembly section of the factory is complete. The other firm, the Rootes Group of the U. K. obtained Government's sanction to establish themselves as an assembler of cars and trucks, mainly for defence and commercial purposes, with the ultimate object of manufacturing these vehicles in the country. They have recently purchased one of the existing plants near Bombay and are making rapid progress. Their paid-up capital is Rs. 25 lakhs and they intend to aesemble Hillman and Humber cars and Commer Karrier and Hillman trucks. They installed capacity is 3,000 a year.

Besides these, there are the two prewar firms—General Motors India Ltd., with an annual capacity of 15,000 and Ford Motor Company of India Limited which has an annual capacity of 14,400. The latter firm have been permitted to assemble cars imported in semi-knocked down condition.

The other assembling plants in India are the Peninsular Motor Corporation Limited, Calcutta, which has a capacity of 4,800 Messrs. Mahindra and Mahindra Limited with a capacity of 1,500 jeeps: Dewar's Garage and Engineering Works. Calcutta—capacity 750 Albion trucks, and Land Rovers French Motor Car Company Limited, Bombay—capacity 1,800 Morris cars and trucks. and Addison and Co., Ltd., Madras—also assembling Morris cars and trucks.

The late Planning and Development Department of the Government of India set up a Panel on the automobile and tractor industry whose report was published some time in 1947. The Panel recommended that

(d) The Corporation may advise the Government from time to time, whether State trading should be extended or withdrawn from any commodity in the national interest. The Corporation should not be free, however, to extend its trading activities to any commodity without the prior approval of Government.

(e) The Corporation may act, whenever required, in the capacity of of either a principal or an agent for direct purchase and sales by any foreign Government in the Indian market.

f) On request by Indian traders, the Corporation may undertake on their behalf and at their risk, negotiations with foreign traders.

TRADE IN ESSENTIAL GOODS

The Committee has also given its views in regard to the import and export trade on certain essential commodities. They are as follows:—

Raw jute: The Indian Jute Mills' Association should adopt a system of centralised buying ;

Non-ferrous metals: The desirability of reintroducing State trading should be examined by the Corporation;

Jute manufactures, shellac, and manganese: The question of State trading should be examined by the Corporation after it has gained some experience;

Tea and mica: State trading is not recommended at this stage;

Coal: State trading should be continued;

Sugar: The question of State trading will not arise until internal production increases sufficiently to leave a surplus.

The Committee has laid considerable emphasis on the need for utilising the services of national banking, shipping and insurance companies in connection with State trading. It has also urged the reorganisation of internal trade on co-operative lines. If the banking, shipping, and insurance services in the country are utilised properly in the promotion of State trading, the Committee feels, it would help the State considerably in giving effect to its economic policies in spheres other than trade. Similarly, a progressive reorganisation of internal trade on a co-operative basis will, in the Committee's opinion, obviate the necessity of extending the Corporation's activities, as co-operation offers a form of control while securing all the benefits of State trading, and preserves the advantages of private enterprise. The Committee feels that the regulation of the distribution of imported commodities can best be carried out by setting up a network of co-operative consumers' stores with an apex store in each State, directly linked up with the State Trading Corporation.

IMPORT CONTROL POLICY

Another recommendation made by the Committee is on the need for rationalisation of import control policy and procedure of the Government. It says that if the Government were to adopt the practice of not placing any article on an Open General Licence until after the interim period of liberal licensing designed to restore normal marketing conditions, so far as that commodity is concerned is over, the chance of large speculative imports taking place would be greatly minimised.

The Committee's report was considered by the Government of India and after full consideration the components were divided into the following three categories:

(a) Components already being manufactured in India;

(b) Components likely to be manufactured in the next two years;

(c) Components which are not likely to be manufactured in India within the next two years.

It was ultimately agreed that the import duties should be revised as follows:

	CARS		TRUCKS	
	U.S. (Standard)	U.K. (Pref)	U.S.A. (Standard)	U.K. (Pref)
List A				
Existing rate ..	60	54	30	21
Revised rate ..	60	54	60	54
List B				
Existing rate ..	60	54	30	21
Revised rate ..	90	84	90	84
List C				
Existing rate ..	60	52	30	21
Revised rate ..	30	22½	30	22½

Government's decision to revise the protective duties was explained to the manufactures and the representatives of the Industry and they promised to proceed with their manufacturing programme. The proposed changes in the tariff were introduced as part of the budget proposals for 1950-51.

During the course of the debates in Parliament on the Finance Bill, with particular reference to the revision of import tariff as applicable to automobile components, the former Hon'ble Ministers for Industry and Supply and Finance gave an assurance that the question of re-classification of automobile components into three categories would be re-examined by an expert committee to be appointed by the Government of India. It will also go into the question of the possibility of the manufacture of various components in India. The revised import duties were ultimately approved by Parliament and form part of the Finance Act of 1950.

In accordance with the assurance mentioned above, the Government of India have appointed an Expert Committee on the automobile industry in India. Mr. T. Sivasankar, I. C. S, Director-General, Industries and Supplies and Disposals is the Chairman of the Committee and the other members are: Mr. J. E. Singh, Dy D. G., Industries and Supplies (Dev Eng:) a representative of Defence Ministry: Mr. L K. Misra of Hindustan Motors; Mr. V. M. Meswani of Premier Automobiles; Mr.R.C. Hughes of Automobile Products: Mr. W. M. MacComb of General Motors (also represents Fords): a representative of Ashok Motors; and Mr. T. S. Krishna, representative of Motor Transport and spare parts trade. Mr. P.L. Kumar, Development Officer (Mech). D G., I. & S., is Secretary, while Mr. D'Souza, representative of the Central Board of Revenue, Ministry of Finance, is acting as an adviser to the Committee.

IMPORT POLICY

It was decided sometime ago that after June 1950 all cars imported into India should be in completely knocked down condition. For purposes of import, only recognised assemblers of cars from CKD condition and manufacturers were to be given monetary allocations. However, in view of representations received from some established firms that they had not been given sufficient time to make up their minds and draw up manufacturing programmes, it has since been decided to continue the *status quo* upto the end of 1952. This will mean that the import of cars will be allowed for all the assemblers in CKD condition and for the Ford Motor Company in S K D condition.

The following tables give an idea of imports of cars and trucks in the last few years as also the number of cars and trucks assembled in the country during the last two years and in the first four months of 1950 :—

IMPORTS

Year	Cars	Trucks	Total
1946-47	10,683	8,654	19,337
1947-48	21,789	13,685	35,474
1948-49	17,482	21,239	38,721
*1949-50	5,496	10,649	16,145

*Upto 31—10—1949.

NUMBER OF CARS AND TRUCKS ASSEMBLED

Year	cars	Trucks	Total
1948	12,522	15,641	28,162
1949	6,672	15,137	21,809
*1950	1,337	3,210	4,547

January to April only.

(The figures for 1948 and 1949 include SKD assembly also).

The main difficulty the industry has had to face is the shortage of foreign exchange on account of which the import ceilings have had to be limited.

CONTROLS AND PRICES

At present there is no control on sales and distribution of automobiles. Cars and trucks in CKD condition are allowed to be imported within a monetary ceiling (for January—June 1950) of Rs. 400 lakhs from dollar areas and Rs. 750 lakhs from non-dollar areas. The C. I. F. value adopted for the above ceiling is Rs. 5,000 for cars from the U. K. and an additional 44 per cent of this figure for those from the U. S A., Rs. 5760 for trucks from the U. S A. and Rs. 4 000 for those from the U. K. The import of certain rubber components, batteries and cables and wires which are successfully manufactured and approved by the recognised assemblers has been banned.

The prices of automobiles vary according to the horse power and make of the cars and trucks. The prices of American cars and trucks have risen on account of the devaluation of the Indian rupee. On account of the revised import duties on automobile components from the current financial year there will be a further rise in the prices of cars and trucks as follows :

	Old Price Rs.	New Prics Rs.	Difference Rs
Cars (U S.A.)	11.668	12,336	668
Cars (U.K.)	11,948	12,635	687
Trucks (U.K.)	9.315	11,844	2,529
Trucks (U.K.)	10.238	13,460	3 222

The revised import duties will thus result in a slight inerease in the price of cars and a substantial increase in the price of trucks. In order that the dealers should not take advantage of the rise in landed cost on account of the revised duties, the Government approached all automobile firms in India to restrict the dealer's margin of profit to the level existing before the introduction of the revised import duties. Out of the 15 firms addressed on the subject, 14 have agreed and the final reply from the fifteenth firm is awaited. By restricting the dealer's margin of profit, prices of cars and trucks would be somewhat reduced from the above prices.

Informal Rationing of yarn in Madras State from 1st October 1950—Advisory Committee in the districts

We welcome the orders of the Govt., rationing yarn distribution in the districts The Collector of the District will be helped by an Advisory Committee numbering 5 to 9 consisting of representatives of State nominees, Master Weavers, and individual weavers.

But from the wording of the Govt. order Handloom factories, or Handloom Factory Associations peculiar to districts like Malabar do not find any place in the Advisory Committees. This should be rectified. It is proposed to issue identity cards for individual looms—as they existed in 1945. For looms that came in later a survey would be undertaken before they could get any supplies of yarn.

Forthcoming Census

Classification on Basis of Occupations

The numbering of houses for the 1951 census operations has been completed or is in the process of completion. It is estimated that there are about 64,000,000 households in India living in every type of residence ranging from the luxurious palace to the mud hut.

The central organistion for the census is complete. Sixteen census Superintendents have been appointed with the necessary staff under the Registrar-General and Census Commissioner, Mr. R. A. Gopalaswamy. The census questionnaire has been decided. The pattern of the tables that will be prepared after the census has been finalised. For tde first time, the questionnaire will not give prominence to divisions of caste, community or sub-caste. The entire population will be classified according to the means of livelihood.

The new Indian census economic classification scheme is based on the 1931 scheme of occupations but has been revised extensively so as to secure international comparability of data.

Thus for the first time, the census will embrace the whole of India including what were formerly known as Indian States. The only exception will be Kashmir.

There will now be a permanent central census organisation in nucleus. This and the decision to keep a national register will be of real help in taking sample surveys. Every tehsil office will keep a confidential record about the citizens of that area based on the census data. All these records together will constitute the national register—perhaps the biggest confidential official document in the world.

Enumerations will take place from February 9 to March 1, 1951, with a final three-day check up. Tabulations will then commence and the main tables are expected to be published before the end of 1951.

BIGGEST CENSUS OPERATIONS IN THE WORLD

India's census operations are not only biggest operations of the kind in the world but also the cheapest. The enumerators will number more than eight lakhs. Together with the supervisors and other staff engaged, the total will exceed a million, most of them working in a voluntary capacity. Except for the census superintendents and the staff engaged on tabulation, everyone else connected with the census work will be an honorary worker. The honorary workers will include State Govt. servants, employees of local bodies, teachers, boy scouts, etc.

It is this honorary labour which cuts down the cost. The United Kingdom spent a little over nine £ or about Rs. 111 per thousand of its population in the 1921 census. Rich U. S. A. in 1940 spent 320 dollars per thousand of the population or about Rs. 1,440 at the present rate of exchange. India spent only Rs. 16 per thousand of the population, including Rs. 4-8-6 for enumeration, for the 1931 census.

It is proposed to bring out a census handbook for every district, which State Governments have been requested to publish. The State Governmets have also been requested to include abstracts in the school text books, so that students will learn more about their own region than they do now.

There will be five kinds of tables—firstly, general population tables; secondly, economic tables showing among other things the people's means of livelihood and grouping them as employers, employees or independent workers in industries and services; thirdly, sample tables showing size of household, etc., fourthly, social and cultural tables relating to language, religion, educational standards, scheduled castes and tribes migrants, displaced persons and non-Indian nationals; and fifthly, tables giving the summary figure for each district.

PRODUCTION FIGURES FOR FIRST HALF OF 1950

Coal, Steel, & Cement Production Higher

Coal production, which rose to the record figure of 31.09 million tons in 1949, reached 16.16 million tons in the first six months of the current year, as against 15.54 million tons in the same period last year.

Steel registered a rise of 18,000 tons in the first half of this year, going up to 460,000 tons as against 4,42,300 tons in the same period in 1949.

Cement production in the period was 12,71,300 tons, as against 9,57,051 in the first half of last year, while paper production was 53,400 tons, as against 51,324 tons last year.

COTTON SHORTAGE AND CLOSURE OF MILLS

The production of cotton cloth showed a decline from 1996.60 million yards in the first half of last year to 1910.2 million yards this year, and yarn from 703,40 million lbs. to 605.4 million lbs.

Shortage of cotton and some partial and complete closures of mills on account of mismanagement, and other causes, affected the production of cotton textiles which had begun to decline in the second half of 1949. Production is, however, showing a tendency lately to increase again.

The other industries whose performance in the first half of 1950 was below the level attained in the previous year, are the dry cells belting, bare copper conductors, machine tools, superphosphates, aluminium cycle tyres, alcohol, woollen manufactures, matches, enamelware, sewing machines, and soap.

Among the goods whose production registered a rise are salt, diesel engines, bicycles, electric motors, electric transformers, motor car batteries, sulphuric acid, caustic soda, cigarettes, plywood, refractories and abrasives.

ACCUMULATION OF MACHINE TOOLS

Most of the manufacturers of machine tools were not able to work to full capacity on account of accumulation of stocks.

Labour absenteeism in Calcutta in February and March due to disturbances affected the production of conduit pipes, which was 1.41 million ft. from January to June 1950, as against 3.61 million ft. 1949.

The production of aluminium which rose to 3,486 tons in 1949 was 1,698 tons in the first half of 1950. The lower production was on account of the power cut at the Alwaye factory since restored.

The disturbances in Calcutta in March last were also responsible for the fall in production of cycle tyres. Loss of export markets was responsible for the fall in the production of enamel-ware which was 2.54 million pieces from January to June 1950, as against 67 million pieces in 1949.

The production of sewing- machines was affected due to desertions by Muslim workers in the Jay Engineering Works in March and April this year.

LATE GENERAL SMUTS

The death of General Smuts, Founder of Modern South Africa, is mourned by all.

NEWSPRINT FROM PAPER MULBERRY

Promising Results at the Forest Research Institute

Paper mulberry, botanically called ***Broussonetia papyrifera***, which thrives well in tropical climate, has proved to be a promising source of raw material for the manufacture of newsprint in India, according to investigations conducted at the Indian Forest Research Institute, Dehra Dun. Paper mulberry is a fast growing species and attains pulp wood size (13 ins. to 16 ins. girth) in 7 to 10 years time as against 60 to 70 years of spruce and fir, the other two types of wood from which paper pulp for newsprint is manufactured in foreign countries.

Newsprint from paper mulberry mechanical pulp, produced at the New Forest, Dehra Dun, was made on a commercial scale at the Shri Gopal Paper Mills, Jagadhri, at the instance of the Forest Research Institute and under the direct supervision of one of its officers. The paper produced was given a full-scale printing trial on a high speed rotary at new Delhi and according to a report, paper mulberry has proved a promising raw material for the production of mechanical pulp for the manufacture of newsprint.

The experimental newsprint compares favourably with the imported newsprint and was found superior in colour and printing properties. Further experiments are being continued at the institute to improve the quality. *Coniferous* wood such as spruce and fir are generally the most suitable raw-material for mechanical pulp required for newsprint. The Indian species, *Picea smithiana* (spruce) and *Abies Pindrow* (fir) have been tested and appeared to be suitable for the purpose. But due to heavy fellings of these two species from the more accessible areas during the last war and the difficulties and cost of extraction from the more remote areas, utilisation of these conifers has to be ruled out for the time being. The best way of producing internally in the country raw materials for newsprint lies in the formation of plantations of paper mulberry which is a suitable, fast growing, broadleaved species capable, of giving pulp within a minimum period of 7 years' time. In order to popularise the paper mulberry, the Forest Research Institute has also published an official note giving all the information available regarding the cultivation of this tree. This is intended to help in the large scale development of plantations of the tree.

Indo-Czech Agreement of April 1950

Czechoslavokia has agreed to give to India technical and expert assistance. Czech exports will consist of agricultural tractors, and tractor parts, electrical apparatus, special tools, construction steel, newsprint and paper, dyes, chemicals and other goods. India will give in return manganese ore, iron ore, and raw jute and jute manufactures.

Related Price Structure at reduced level back to 1947 procurement rates

The Sub-Committee of the Planning Commission seems to have recommended price fixation of all commodities as in 1947.

New Air-cooled Diesel Engine

A new air-cooled Diesel engine has been put on the market by the Diesel Division of the Coventry Victor Motor Co. Ltd. of Coventry, with a capacity at varying speeds of 3 B. H. P. at 1,000 r. p. m., 4 B. H. P. at 1,500 r. p. m., and 5 B. H. P. at 1,750-2,000 r. p m., while the fuel consumption at 1,500 r.m.p. and 4 H. P., is approximately 0.42 pints per B. H. P. hour. The fuel may be standard grades of high speed fuel oil or any oil derived from crude petroleum of 0.88 S. G. at 60° F. Further, these "Victor" Diesel engines may be altered, if required, to run on paraffin oil, and a 2-gallon capacity fuel tank is normally fitted, but larger capacities can be supplied to order.

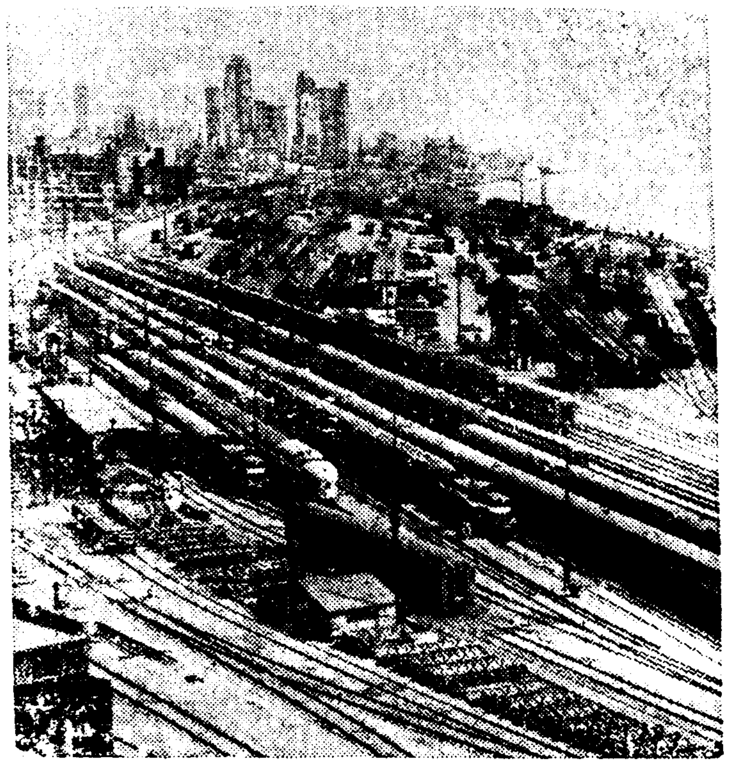
Air-cooling is employed, and it is stated that this does not increase the dimensions much over those of equivalent water-cooled Diesel engines. Thus the overall dimensions are 2' 3½" high by 1' 7", and the length 2' 4", including the starting handle, or 1' 10" without it. A great advantage is the low weight, only about 235 lbs.

The single-cylinder engine has a bore of 80 mm. and a stroke of 100 mm., giving a piston displacement of 30.7 c. in., and the piston is an aluminium "y" alloy casting fitted with three compression and one scraper ring. The piston speed at 1,500 r. p. m. is 984 ft. per min. and the full load B. M. E. P. is 85 lbs. per sq. in.

The cylinder construction is of high tensible cast iron, and is easily detachable for inspection and maintenance, although the crank case is made of a non-corrosive special alloy, combining strength and ligthtness, this being an important factor in keeping the total weight of the engine down. The overhead valves are actuated by rockers and push-rods, and are totally enclosed, while fine tappet adjustment is provided by rockers. The valve gear is self-lubricated, and although totally enclosed is instantly accessible for inspection. Further, the valve guides are so arranged that they are renewable as the need arises.

The main bearings have been made specially large, 2" diameter, white metal lined, the big end being fitted with a shell type bearing lined with special anti-friction meta. The small end is bronze bushed. All bearings are fed with oil at a minimum pressure of 30 lbs. per sd. in. from a gear type oil pump driven off the crankshaft, and a large easily detachable oil fitter is fitted, while a pressure release valve returns surplus oil to the sump. The lubricating system has been most carefuly designed to enable the engine to run for long periods with the minimum of attention and complete reliability under all conditions of service. The oil level in the sump can be checked by dip-stick and a clock-type oil gauge is fitted to enable the oil pressure to be checked.

An efficient constant speed mechanical governor is fitted as standard fitted with a limited adjustment for engine speed, while at a slight extra cost a variable speed or wide speed range governor may be fitted, enabling the engine to run at speeds from 800-900 to 1,800-2,000 r. p. m. for certain duties. Fuel injection is by injection pump and spray nozzle, with easy starting from cold, and power may be taken either from the crankshaft or from the half-speed shaft.



Detroit, in the midwestern State of Michigan, is the automobile-manufacturing capital of the United States and fourth largest city in the Nation. Detroit is a transportation focal point, receiving raw materials by rail and waterways, and shipping finished products to all parts of the world. About 90 per cent of all U. S. automobiles are built by companies whose principal plants are in the Detroit area. These and other Detroit factories use one-fourth of the U. S. steel output, three-fourths of the Nation's rubber imports, and large quantities of other manufacturing materials. The city with a population of 1.8 million covers a 144-square-mile area.

The photograph shows railroad yards of the industrial centre with the Detroit skyline in the background. The city is situated on the Detroit River (right), a connecting waterway between Lake Erie and other Great Lakes. An international suspension bridge and a tunnel under the river connect Detroit with Windson, Canada.

APPENDIX

FOREIGN INVESTMENTS IN INDIA

etween July 1948 and June 1950 U. K has invested Rs.634 lakhs in India, Canada 17 lakhs, U. S. A. 1 lakh and Holland 1 lakh.

FAVOURABLE TRADE BALANCE IN INDIA

Since devaluation upto June 30, 1950 Rs. 6 crores

SALES TAX

Sales Tax will be levied on Newspapers in Madras to go from 1st January 1951.

EDITOR'S JOTTINGS

Korean War

We are nowhere near a settlement of what is still felt as a local conflict, in spite of the U. N. O's resolutions and of U. S. A. fighting hard. None knows still why the two Koreas are fighting, why Russia is fighting shy of stopping the North Korean aggression, why Formosan question should not be quickly solved and above all, why U.S.A and U. K. should not admit Communist China's representative in U.N.O. Unless and until we know 'where we are', we feel that the Korean War is bound to lead to a bigger wide-spread. But we are happy that India's next move in the Security Council for settling the Korean question through a Committee of non-permanent members of the Council is receiving sympathetic attention from all countries.

U. S. counter-offensive in Naktong River

The latest position is that the American 24th Division smashed the North Korean bridgehead over the Naktong river (north of Mason). In the Central Sector, Taegu is still with South Korea, and on the Southern Coast the North Koreans have reached a few miles east of Chinju. The air raid by U. S. A. on North Korea continues.

India enters the fourth year of Independence.

High-ranking speeches of the President of the Republic, the Prime-Minister and the Deputy Prime Minister on the token day of the third *Apdapurthi* of India's new set-up, all emphasize that disruptive forces should be eliminated and that in the present world context Gandhiji's and Asoka's preachings could alone avoid another global conflagration. It is therefore incumbent that the nation should fight and eliminate sordid selfishness, bribery, and corruption from this land, if it should maintain its prestige among the nations.

Textile Strike in Bombay

The illegal strike of the labourers resulting in the closure of 23 Textile Mills in Bombay sponsored by the Mazdoor Sabah should be met with an iron hand. The whole strike is not only irresponsible but savours of communistic lawlessness for which there is no justification. While the Appellate Tribunal is to hear the appeal, and the managements themselves are willing to give a month's bonus in advance, the Sabah has no business to excite the illiterate workmen, to break the law of the land.

Fair Wages Bill before the Parliament

The long awaited Bill has been introduced by the Labour Minister in the Union Parliament, seeking to fix fair wages for Labour—to include a basic rate and a cost of living allowance. It is also proposed to fix wage differentials, over-time, and equal pay for men and women, and to revise fair wages periodically.

Malabar Tenancy Bill

Any progressive agrarian Reform in this country particularly in stabilising the rural economy bristles with difficulties. Thus the Malabar Tenancy Bill that has been introduced in the Madras Legislative Assembly which proposes to give permanency of tenure to the tenants of Malabar (which has its own peculiar land problems as different from the rest of India) is indeed a bold step and an earnest attempt to solve a long-standing sore in the economic and agrarian structure of this portion of the country—but whether in fixing a permanent tenure and a fair rent by Legislation, apart from intentions of meeting social and economic justice, a better class of contented cultivators would be created resulting in better cultivation and improvement of yield per acre is open to doubt. Apart from the question of fair rent, according to the Bill a tenant can only be evicted if he cultivates more than 5 acres. But in the case of smaller landlords with less than 5 acres, the tenants cannot be evicted which would mean that the smaller owners of lands would have no right to cultivate their own fields. Owing to prevailing law of 'partition' of Tarwad Estates, the sizes of holdings in Malabar have however become smaller and smaller and to ask the owners to depend upon their tenants perpetually is not doing justice to them, particularly as they may be keen to cultivate their own fields. This matter has to be looked into carefully by the Select Committee.

Indian Parliamentary Debate on Korean War

Both the Prime Minister and the Hon. C. Rajagopalachari in addressing the Indian Parliament on Korean question have enunciated certain fundamental principles concerning India's foreign policy. Firstly, they feel that while India should be an active member of U. N. O. in settling world problems, the aggression on the part of any country (such as North Korea) should be checked by the U. N. O. itself. Secondly, no hope for any nation is possible to-day unless forces that stand for peace and order in the world are strengthened. But the root of the trouble has always been that the Western Powers in their world domination for centuries are assuming many things as granted—for example their interference in Asian politics such as in China and Korea where they had been taking one side or other. Unless Dollar Imperialism and Red Imperialism are both resolved to better the under-developed countries with their least interference in local politics, this sort of wrangling is bound to continue. Though India cannot remain neutral in such wranglings, her moral and spiritual strength should be exercised more as a peace plenipotentiary rather than taking active sides even if one side was right. This is the crux of the problem.

Provincial Labour Advisory Board

The Provincial Labour Advisory Board which was the result of the Tri-parti-Industries Conference held in Dec. 1947, was constituted in this State in Oct. 1948. It consists of 26 members at present, with the Hon. Minister for Labour as Chairman and representatives of groups of employers and employees. It has met only twice so far in the course of its existence. Though the need for such a tripartite Conference on a Provincial level is imperative in the present context where representatives of labour and employers could meet at a round table to discuss all their urgent problems and arrive at a mutual settlement, we very much doubt whether a Board of this nature meeting once a year could discuss all their points of differences and settle them even with all the good offices of the Govt. In fact, apart from the fact that such periodical discussions might tend to be more academic and bring out only their differences rather than trying to solve them, the Provincial Labour Board by itself has no statutory powers for enforcing those decisions. Take for example, the question of the Labour Relations Bill and the Trade Unions Bill which are before the Parliament, where if only the Govt. could take the opinions of the Board, clause by clause, and bring them to the notice of the Minister of Labour at the Centre, that might really help the legislators. But the Board have not even considered so far these important bills on which there have been different view points. There are other questions such as Minimum Wages, Industrial Housing, etc., where the Provincial Advisory Board should really be helpful to the Industrial peace and their opinions should be solicited which should command greater confidence and publicity.

Checking rise in Prices

Though we welcome the special powers for the Central Govt. envisaged in the new Legislations on 'trade and commerce and production and supply and distribution' taking over powers of the State Govts. for one year only, in accordance with Article 249 of the Constitution, we very much doubt whether all this will have the desired effect in controlling the prices of the essentials which have shown a 25 to 50% rise in smaller towns and rural areas, in recent months. Unless the twin main questions—i. e. whether 'controls' are necessary or not, and whether, if necessary, the Govt. have the necessary machinery to enforce them—are solved, we doubt whether any amount of executive authority as envisaged in the new Legislation, could avert the present serious position regarding prices, which is mainly due to short supplies and import restrictions.

Drastic Punishment for Hoarding —operation till 1952

The Amendment of Essential Supplies Amendment Bill by the Parliament fixing a deterrent punishment for the black-marketeers and hoarding of food grains, textiles etc. and creating a machinery for quicker disposal of such cases is to be welcomed. But then would all this solve the main question, whether inefficient controls of supplies of the essentials would and could meet the situation and satisfy the conscientious citizen?

New Madras Govt. loan —3% 1960 loan (per value 99%)

It is indeed a happy sign that the recent State public loans had been over-subscribed—Madras share being 447 lakhs-and that this will be spent on capital schemes such as on Irrigation and Electric Projects. The Manimuthar River Project at Tinnevelly for which the Tinnevelly ryots have subscribed more than one crore of rupees is an example to show how best local patriotism could be canalised for such investments.

The new successful public loans in India have brought home new lessons both to the Govt. and to the public. Firstly, the idle money in the country that has been shy hidden in the villages, if properly tempted, cannot find better investment than in public industrial shares both from the point of view of safe investment and in the larger interests of the country. Secondly, as subscriptions to Manimuthar Project have shown, regional development with support of local public for whom such development is to benefit would appeal to rural investors rather than distant capital schemes. Thirdly, Banks in the country could and should come forward to help the capitalists to facilitate such investment by the public. The Banks in the country have so far not fully realised their duty to help the industrial expansion but in the new context they should play a much larger part and come forward with active aid to help both old industries and for starting new industries in the country. But if what we hear that in the case of Manimuthar project ryots were asked to pay 4½ to 5% interest by the Banks while the public loan would fetch only 3%, the Banks have yet to realise that they are not merely money lenders but active middlemen intended to help a noble cause, i. e. industrialisation of this country.

Accountants' role in Public Welfare

—COMMERCE MINISTER EMPHASISES ABSOLUTE INTEGRITY

In the course of a speech by the Hon. Sri Prakasa, he referred to the important role which the Accountants play and have to play in the present day economic structure in the country. It was necessary that, particularly, when new Companies were fast cropping up, the responsibilities of Accountants should be strengthened, and they should be made to realise their duties to the public in publishing the true state of things concerning the Companies they audit. Many Companies and Banks which had recently gone into liquidation are examples how some people try to play with other people's money resulting in misfortunes to thousands of innocent people.

Zamindari Abolition in Madras

The Hon. H. Sitarama Reddi in the course of a broadcast speech has appealed to the Zamindars who have been displaced to promote industries and agriculture in the country. We hope that in the present economic position of the country, when capital is shy, our patriotic zamindars who have received compensation from the Govt. will utilise their capital to the fullest benefit to the country in helping industries and also to earn by such investments. 42 estates in Madras have so far been taken over covering 51 million acres out of a zamindari of 213 milllon acres. Also only inams in which land revenue alone is granted in inam will be taken over by the Govt.

Communal Distinctions

Diwakar Committee appointed in 1948 to examine omission of caste, subcaste, etc., from Govt. records have recommended that since caste distinctions have caused immense harm to the country, they should disappear in all applications to Govt. appointments and admissions to Colleges, in Police and Revenue Records and Jail Manual Rules.

Pandit Nehru says "South-East Asia is the greatest danger zone in the world to-day. It would not be solved by military methods or bombs, but by psychological and economic methods". But U N. O. seems to think otherwise!

WEST COAST INDUSTRIES

Deteriorating Yarn Supply to the Hand-loom Factories in Calicut

27 FACTORIES PROPOSE TO CLOSE DOWN

It is most unfortunate that the yarn supply to the Factories in this area are fast deteriorating, so much so that we hear that some Factories propose to close down. The following letter is sent to us by the Calicut Handloom Factory Owners' Association, Calicut, which speaks for itself. 'Handloom' is, as it were, the very life of the people in this area and unlike in other parts of the country the Handloom is working on Factory model registered under the Factories' Act. We have been persistently complaining and bringing to the notice of the Govt. of the miserable plight of this industry, but we find no serious attempt has been made to give any kind of relief. We request the Govt. once again, that immediate relief be given in the matter of supply of yarn to the Factories of the West Coast just. as they are trying to rush food-grains to this area.

EXTRACTS OF LETTER FROM CALICUT HAND—LOOM FACTORY OWNERS' ASSOCIATION

To

The Editor 'THE INDUSTRIALIST'

"27 Hand-loom Factories running in Calicut are members of our Association excepting three others which are getting direct supplies of yarn from Mills. The number of looms run by these factories are about 1000 in which about 3000 workers are employed. The yarn required to provide work for all these men is about 200 BALES PER MONTH of which 80% is twisted yarn in 2/20s count. But look at our predicament when the yarn distribution began to come through official channels from February 1950 hitherto. A supply of 1200 Bales in all ought to have been regulated during these 6 months to keep our looms in full swing But the Government have made mere paper allotments as follows:-

April '50	Paper allotments only	7	Bales	Total 89½ Bales in which not even 30% have been supplied.
May	do	20	Bales	
June	do	29½	Bales	
July	do	33	Bales	

There has not been even a paper allotment for February and March. Please consider the most pitiable plight of the workmen and their families for want of work due to scarcity of yarn.

We have made strenuous representations to the Government for releasing the required quantity of yarn by even telegraphic reminders and by deputations too. But they have been very reticent over this important matter, without caring even to see for the release of the allotted quantities.

In the meantime, we have been called upon by the Collector of Malabar for submission of our regular monthly indents for requirements of each actory under us. The Textile Commissioner of Bombay has been busy with reservation of production of certain kinds of cloths to Hand-loom industry and we have been called upon for submission of a list of Products made in compliance to this reservation and specifications. But the Government authorities seem too callous to understand that nothing can be done without supply of yarns. Certainly this is not the real way of encourgement to Hand-loom industry at the hands of the Government.

So much about yarn. The Imperial Chemical Industries Ltd., are also not able to supply our requirements of Hydro-sulphite which is the essential chemical for dyeing. So practically speaking we are hemmed in both sides for non-supply of raw materials.

All these have two-fold effect on the poor workers, first of all, unemployment and secondly the threatening food scarcity.

We have tried our level best to avoid the ensuing catastrophe but without Governments' active solicitude we are quite helpless".

Supply of Food Grains in Malabar

— COLLECTOR'S PRESS CONFERENCE

At the Press Conference convened by the Collector of Malabar (Mr. R. Prasad, I. C. S.), held on the 18th August, he explained that with arrivals of 4000 tons of rice and 4000 tons of Milo in another 2 days there would be sufficient supply to meet the requirements for the ration week - 20th to 26th August. The crisis of the first two weeks of August could thus be averted during the rest of the month. Even so, before the harvest to start in the middle of September, there should be, besides expected arrivals, active procurement in the taluks, if the District should be above want. Mr. Prasad appealed to the people that the highest Dharma to be practised to-day on the part of the citizens, was *to part with as much food grains as they could,* so that the rationing in the District might not fail. We feel that here is an opportunity for all patriotic men to come forward, not only to spare what they can but also to canvass active procurement in their areas.

Collector's Warning

The Collector of Malabar has warned that transport of tapioca to outside the District is an offence.

Dr. Einstein asks for surrendering Atom Bombs to a Super-national Authority

The World's greatest Scientist, Dr. Einstein, asks all Atom-Bomb Owners to surrender them to an authority of a World Government. Dr. Einstein's appeals to nations to adopt the only way to world peace i. e. the Gandhian way of non-violence, have so far fallen on deaf ears.

NEWS OF INTEREST

Milk Powder Manufacturing Industry

The Tariff Board will be holding a public enquiry and reply to questionairre should be sent to the Secretary of the Board by the 25th August 1950.

Fountain Pen Ink

The Govt. have accepted that the revenue duty of 37½% *ad valorem* is to be converted into a protective duty of *ad valorem.* The Govt. will further arrange all facilities for procurement of modern machinery and appliances, and all encouragement will be given to export to foreign countries. Research will be encouraged by both the Union and State Govts. and statistical data will be collected regarding production, imports, etc.

Indians Entering Burma

Indians entering Burma should have pass-ports from Sept. 1, 1950.

De-limitation of Constituencies —Official Resolution

The Official Resolution was discussed on Aug. 12 at New Delhi by Madras State Delimitation Committee and their decisions will be placed before the Parliament.

The recommendations of the Madras Govt. were :—

1. Legislative Assembly and House of People

(a) For Scheduled Castes and Scheduled Tribes.

Seats to be reserved in plural number constituencies with two seats each, one general and the other reserved for scheduled castes or tribes.

(b) All other Constituencies.

Single-member only.

2. Legislative Council

Not less than 2 seats in each constituency, with method of proportional re. presentation and transferable vote.

Conduct of elections: —

(a) The coloured box system

(b) General and reserved seats in separate compartments.

(c) Watchers need not be appointed.

Minimum Wages for Beedi Workers in Madras State

The Govt. have issued a draft Notification for public opinion under the Minimum Wages Act fixing Minimum wages for beedi workers :—

	Rs.	a.	p.
1. For rolling 1000 beedies —		1	4
2. „ „ cigars —		1	12
3. For converting one viss tobacco into snuff—			13
4. For cutting one viss tobacco			9
5 „ roasting „			4
6. „ stripping „			2

In tobacco-curing industry

	Rs.	as.	
Time-rate	1	4	a day
Piece-rate	2½ annas per lb. of stems stripped.		

Cost of Living Allowance

Every rupee of earnings upto

300 index number	.....	nil
300 to 325	„	1 annas
325 to 350	„	2 annas
350 to 375	„	3 „
375 to 400	„	4 „

Our Special Articles

INDIA'S TRADE

Govt's Trading Operations

The establishment of a statutory State-sponsored Trading Corporation to take over, in the first instance, all the import and export operations of a commercial nature which are at present being handled by the Central Government is recommended by the Committee on State Trading in its report just submitted to the Government of India.

In its report, which is unanimous, the Committee has observed that while in some types of business undertakings, State trading is not desirable, it is justified in certain other types of business, particularly in the field of international trade. Even in countries like the U. S. A. and Canada, the Committee points out, where State trading is, as a rule, looked upon with disfavour and where economic policies are designed primarily to foster private enterprise, a limited measure of State trading has not been found incompatible with the general economic policy. In the U. K. for example, as much as 50 per cent of the total imports are being handled by Government agencies.

The proposed Corporation, the Committee recommends, should be a statutory body with an authorised capital of Rs. 10 crores and an initial capital of Rs. 2 crores. Not less than 51 per cent of the capital should be held by the Central Government and the balance should be offered to the State Governments and private enterprise. The Central Government should guarantee the capital and also a minimum dividend to private share-holders. The Corporation should be subject to taxation like any other commercial concern. It should function on business principles and its day-to-day working should be managed by an executive board composed of businessmen of proved integrity with a managing director acting under the orders of the board. The first board and its chairman should be nominated by the Government.

FUNCTIONS OF TRADE CORPORATION

The following are the main recommendations of the Committee in regard to the functions of the Corporation:

(a) It should take over from the Government of India the commercial operations in respect of import of foodgrains, fertilisers, steel, East African cotton, and also such operations as are necessary for implementing barter agreements concluded by the Government.

(b) The Corporation should be given the monopoly of export trade in coal and short-staple cotton.

(c) The Corporation should undertake export trade in the products of cottage industries, on a pioneering basis, as initially private enterprise cannot be paying. When a proper market has been created abroad for cottage industry products, the Corporation should curtail its activities and encourage private enterprise to enter the field.

(d) The Corporation may advise the Government from time to time, whether State trading should be extended or withdrawn from any commodity in the national interest. The Corporation should not be free, however, to extend its trading activities to any commodity without the prior approval of Government.

(e) The Corporation may act, whenever required, in the capacity of of either a principal or an agent for direct purchase and sales by any foreign Government in the Indian market.

f) On request by Indian traders, the Corporation may undertake, on their behalf and at their risk, negotiations with foreign traders.

TRADE IN ESSENTIAL GOODS

The Committee has also given its views in regard to the import and export trade on certain essential commodities. They are as follows:—

Raw jute: The Indian Jute Mills' Association should adopt a system of centralised buying ;

Non-ferrous metals: The desirability of reintroducing State trading should be examined by the Corporation;

Jute manufactures, shellac, and manganese: The question of State trading should be examined by the Corporation after it has gained some experience;

Tea and mica: State trading is not recommended at this stage;

Coal: State trading should be continued;

Sugar: The question of State trading will not arise until internal production increases sufficiently to leave a surplus.

The Committee has laid considerable emphasis on the need for utilising the services of national banking, shipping and insurance companies in connection with State trading. It has also urged the reorganisation of internal trade on co-operative lines. If the banking, shipping, and insurance services in the country are utilised properly in the promotion of State trading, the Committee feels, it would help the State considerably in giving effect to its economic policies in spheres other than trade. Similarly, a progressive reorganisation of internal trade on a co-operative basis will, in the Committee's opinion, obviate the necessity of extending the Corporation's activities, as co-operation offers a form of control while securing all the benefits of State trading, and preserves the advantages of private enterprise. The Committee feels that the regulation of the distribution of imported commodities can best be carried out by setting up a network of co-operative consumers' stores with an apex store in each State, directly linked up with the State Trading Corporation.

IMPORT CONTROL POLICY

Another recommendation made by the Committee is on the need for rationalisation of import control policy and procedure of the Government. It says that if the Government were to adopt the practice of not placing any article on an Open General Licence until after the interim period of liberal licensing designed to restore normal marketing conditions, so far as that commodity is concerned is over, the chance of large speculative imports taking place would be greatly minimised.

Editor's Jottings

KOREAN WAR

We are nowhere near a settlement in spite of U.S.A. fighting hard. None knows still why the two Koreas are fighting, why Russia is fighting shy of stopping the North Korean aggression, why the Formosan question should not be quickly solved, and above all, why U.S.A and U. K. should not admit Communist China's representative in U.N.O. But India's next move in the Security Council for settling the Korean question through a Committee of non-permanent members of the Council has not received sufficient attention from all countries.

U. S. COUNTER-OFFENSIVE IN NAKTONG RIVER

The latest position is that the American 24th Division has smashed the North Korean bridgehead over the Naktong river (north of Mason). In the Central Sector, Taegu is being threatened by North Korea, and on the Southern Coast the North Koreans have reached east of Chinju. S. Koreans have advanced 9 miles beyond Pohang.

Import Control in India

Relaxed in Case of Essential Goods

Sequel to Favourable Trade Balance

We welcome the recent announcement of the Govt. of India regarding the extension of O. G. L — to import freely, practically all raw goods necessary for industries, and the Hon. Commerce Minister's assurances to the Import Advisory Council for quick disposals of license petitions. What is urgently required however is a speedy machinery in each state (and not at New Delhi) attached to the Import Trade Controller, to dispose of urgent cases, and also, for a quicker arrangement of supplies. Besides, new-comers in trade who have the necessary capital should be encouraged to import freely. The Industrialists feel that the time-factor in imports is as necessary as grant of licenses, and the Govt. should be in constant touch with the Trade Commissioners to expedite despatch of goods. Also a new formula should be evolved regarding *quantities* to be imported for each item, consistent with balance of trade. Further there is no justification for continuing the licensing fees. We hope that the Govt. would bear all this in mind in administering the O. G. L. recently announced. We publish below the details of the Import Concessions announced by the Govt.

O. G. L. — BROADENED

The Government of India have put on Open General Licence a number of articles required for industrial purposes and certain types of essential consumer goods including newsprint, textiles, chemicals, milk powder, mercury, and tallow.

This change in the import policy, has been possible because of the favourable balance of trade for the first nine months ending June and secondly, because it is felt it would be prudent to relax the rigor of the import policy and let in some essential commodities in view of the present international situation. It is understood that a close watch would be kept on the trend of imports in the light of further export trade and if at any time it was found a change was desirable, Government would suitably amend the scope of the OGL.

The Press Note issued by the Commerce Ministry says: "The Government of India have decided to permit the free import of certain raw materials essential for the maintenance of industrial production and certain other goods required for maintaining essential supplies in the country provided that they are shipped on or before 31st December, 1950. An Open General Licence No. XX has accordingly been issued, in the Gazette of India Extraordinary. This Open General Licence consists of two Schedules. Schedule "A" contains a list of goods imports of which are permitted without licences from all countries except South Africa, and Schedule "B" contains a list of goods the import of which is permitted freely from soft currency countries only.

O. G. L. ITEMS

The principal items observed by the Open General Licence are:

Schedule "A" (from any country in the world except South Africa): Certain specified non-ferrous metals, ball and roller-bearings, graphite and carborandum crucibles, textiles, chemicals, milk powder for infant, feeding and milk foods for infants, tallow, coconut oil, penicilin, chloromocytin and insulin, fire bricks, mercury, hand sewing needles, and sewing machine needles, x-ray films, sulphur, wood pulp, newsprint, electro-medical apparatus, scientific and surgical instruments.

Schedule "B" (for soft currency countries only): Iron or steel electrodes, aluminium circles, conveyor belting, wattle extract, wattle bark, and other barks for tanning and dyeing and tanning substances, stearine, cinematograph films not exposed, streptomycin, cork manufactures, free wheels, chains, spokes, nipples, and lugs for cycles, explosives, and cigarette paper.

IMPORTS FROM BELGIUM, PORTUGAL AND W. GERMANY

Belgium, Portugal and their possessions would be treated as part of the soft currency areas.

Western Germany will also be treated with immediate effect as though it were part of the soft currency area for the purpose of import trade control in respect of certain articles.

The first announcement said: "Under a notification in the Gazette of India Extraordinary, Belgium and her possessions would be treated as part of the soft currency areas within the meaning of the Commerce Ministry Public Notice No. 14-ITC (P. N.)/50 of June 1, 1950. Licences already issued and which are still valid for imports from Belgium and her possessions will, subject to certain conditions, be validated on request for imports from any country in the soft currency area and *vice versa*. Portugal and her possessions have since been included.

The announcement regarding Western Germany said:

"Under a notification in the Gazette of India Extraordinary, Western Germany will be treated with immediate effect as though it were part of the soft currency area for the purpose of import trade control in respect of certain articles. The articles concerned are those which are already shown as licensable from Western Germany in the Commerce Ministry notice of June 15, 1950.

"Licences already issued for articles which are shown as licensable for Western Germany in the public notice of June 15, 1950, and which are still valid for imports from the soft currency area may be made valid for imports from Western Germany at the request of the licence-holder. Similarly, any such licence which is valid for imports from Western Germany may be made valid on demand for imports from any country in the soft currency area, subject to certain conditions".

Industrial Housing

No subject is of greater importance and urgency for the industrial peace than the question of the housing for labour. The Govt. of India have proposed a scheme for constructing houses for labour, advancing 2/3rd cost of buildings without interest, with the remaining 1/3rd to be financed by the State Govt. or the employers or both. This is certainly highly generous and a gesture of good-will on the part of the Govt. of India, but with the present poor finances of State Govts. none of them could ever think of sharing this generosity for the present. So far as the employers are concerned, it is only bigger factories that could afford houses for labour even on the basis of 1/3rd capital outlay, and smaller factories cannot take up such undertakings for want of finance. Under the new Factories Act there are more than 10000, Factories employing labour of 10 and above in this State alone, and whether it is possible to compel these factories to build houses for their workers is highly doubtful. The main considerations, however, for house-building schemes for labour, apart from the question of finance are:-

(1) Who would be the *eventual* owners of those houses, i. e. whether the Govt. or employers or employees? and (2) Whether an individual after retirement from service from the factory is entitled to live in the quarters built for him?

These questions present difficulties, but it is seems a sound proposition that wherever workers are prepared to finance in easy instalments for houses built for them, such houses could be owned by them. But if any of the factories, however, are prepared to own those houses themselves, they should be allowed to do so, with conditions of occupancy settled by them to the satisfaction of both labour and the Govt. But even so, that big 'if' remains — how to find necessary finance. Now with the Govt. of India financing 2/3rd, the remaining 1/3rd should be paid by factories themselves either from direct State-Aid or through Co-operative Societies or both. The Co-operative Societies Act may, if necessary, be amended to suit this new class of investors for building houses for labour.

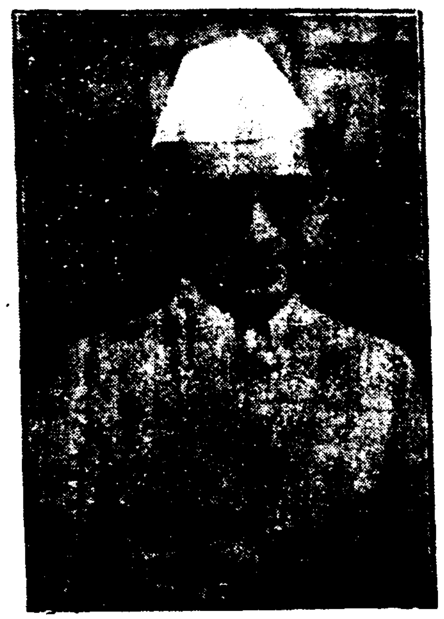
One other practical difficulty is acquisition of sites for building houses. The Govt. should, if possible, assign suitable sites in the Factory areas themselves or contiguous to them for such construction, and the *urgency clause* applied freely for facilitating acquisition, without the cumbersome procedure of the land acquisition being gone through.

Increasing Food Production

— New Integrated Programme

The Hon. K. M. Munshi Explains Scheme

We welcome the programme integrating the food self-sufficiency plan with



The Hon. K. M. MUNSHI

that of growing more cotton and jute and intensifying the efforts for growing more food. The immediate objectives are stated to be:- (a) winning freedom from foreign bread by the end of 1951 and (b) achieving the progressive realisation of a self-sufficient economy for the whole country. The ultimate goal was "land transformation", namely to secure the utilisation of land on a rational basis so that the available resources of land, water, and livestock were developed to their maximum potentiality and the population assured of a decent standard of living. The methods suggested involve the provision of technical aid to farmers and the undertaking by the State of certain large-scale capital projects which individual farmers could not cope with. Steps would be taken to improve the physical, social, and economic conditions of the farmer.

FOOD PRODUCTION ZONES

The country has been divided into eight zones with a special senior officer of the Ministry in charge of each zone. His duty would be to see to the implementation and intensification of the food production plans.

In order to achieve proper co-ordination between production and distribution of foodgrains, an emergency co-ordination committee of the Food and Agricultural Ministries has been set up with Mr. Munshi as the Chairman. The Committee would meet frequently and take decisions on important questions of policy. The setting up of similar emergency committees had also been suggested to States.

BOARD TO DEVELOP RICE AREAS OF SOUTH

The other principal features of the programme number seven. They are:

1. Organisation of a board to develop the rice areas of South India intensively.

2. Organising agricultural areas around the agricultural education and research institutions for providing demonstration to farmers.

3. Development of large compact areas suitable for intensifying production and procurement of foodgrains, like the Central Malwa Development Board.

4. The construction of 1,000 tube wells in Uttar Pradesh, Punjab and Bihar.

5. Reorganisation of the Central Tractor Organisation for intensified work of land reclamation.

6. Organisation of crop competitions in every village and the establishment of a statutory corporation for safeguarding, regulating, organising and administering charitable institutions connected with the protection of bovine cattle, and preserving and improving the breeds.

7. The Government propose to bring in a Bill called "the Indian Council of Go-Samvardhan Act".

The production targets set for the current year were an additional quantity of 1.3 million tons of cereals by intensive cultivation measures, six lakh bales of cotton and twelve lakh bales of jute and messa. The target for the year 1951-'52 would be formulated on the basis of the achievements in the current year.

From British Information Services

BRITISH INDUSTRIES FAIR 1951

The British Industries Fair, next year, will be held in London and Birmingham from April 30th to May 11th. "Lighter" industries will be exhibited in London, and the engineering and hardware sections will be exhibited in Birmingham.

RISE IN YARN PRODUCTION

In the week ended July 1, Britain's cotton and rayon yarns output was 20·8 million lbs compared with 16·8 million lbs. in the previous week. The total production for the first half year 1950 was 524·9 million lbs. against 488·7 million lbs in the corresponding period of last year.

RECORD CYCLE EXPORTS

Bicycles and motor-cycles to the total value of £ 15·1 million (Rs. 20·13 crores) were exported by Britain during the first half of 1950 - an increase of more than £ 165,000 (Rs. 22 lakhs) over the first half of last year. U. S. A., Canada, and Austalia were the principal buyers of motor-cycles; and British West Africa, Malaya, and Pakistan of bicycles.

FAIR WAGES BILL

The statement of Objects and Reasons of the Minimum Wages Bill adopted by Parliament says:—

The Bill in its present form is undoubtedly a novel experience in the field of wage regulation, for it is not often that enactments of this kind provide for anything more than a bare machinery for fixation of wages. If then Government have tried to include in the Bill something more than is usual or conventional, it is because they have tried to give expression, inadequately perhaps, to the hopes and aspirations of a class of wage-earners who occupy a strategic position in the economy of the country".

It is, however, explained in the statement that the ultimate expectations have to be tempered with the immediate possibilities, and hence the emphasis that the Bill places on the limit to fair wages being set by the capacity of industry to pay.

The fair wage contemplated in the Bill will, so long as the cost of living index number exceeds a slab of 185 to 200 (the cost of living index number of 1939 being taken as 100), consist of a basic rate and a cost of living allowance. The latter is to be adjusted according to such graduated scales as may, from time to time, be prescribed by the appropriate State Government.

There are also provisions in the Bill relating to the fixation of wage differentials, the calculation of overtime, the principle of equal pay for equal work for men and women, and the revision of fair rates of wages from time to time.

The machinery contemplated for the fixation of fair wages is largely based on familiar lines—tripartite wages boards co-ordinated by All-India Appellate Body. The technical aspects of the working of wages boards, it is explained, are on the lines provided for in the Labour Relations Bill. They include details regarding publications, commencement, and period of operation of awards and similar matters.

Provisions of the Bill, it is stated, may be extended by notification to other classes of establishments where a manufacturing or mining process is carried on. It has been clearly laid down in the Bill that an employer to whom the provisions of the Bill apply shall in no circumstances pay his employees a wage less than the minimum wage described there, irrespective of the capacity of industry or the unit.

The Bill contains a financial memorandum, a practice resorted to for the first time, relating to the expenditure that would be incurred in setting up the machinery for fixation of fair wages.

According to the principles laid down in the Bill for the determination of fair wages, the fair rates of wages for such employees shall not be less than the minimum rates of wages payable to them. The minimum wages are fixed for employees in certain specified industries under the Minimum Wages Act of 1948. The Bill defines the phrase "minimum rate of wages" as wages which ensure to an employee the means to provide a standard family with food, shelter and clothing and also medical expenses and education of children appropriate to his station in life.

It is provided in the Bill that if the fair rates of wages determined under these principles exceed the wage-paying capacity of any establishment for any special reasons not connected with the mismanagement thereof, the Board or the Regional Board, as the case may be, may fix lower rates of wages for employees employed in that establishment.

In considering the capacity of all establishments, due allowance will be made for a fair return on capital, remuneration to management and a fair allocation to reserves and depreciation funds so as to keep that class of establishments in an economically sound condition.

FAIR RATE OF WAGES

A fair rate of wages for any class of employees shall be related to a fair load of work which that class of employees is expected to do. If an employee, the Bill lays down, belonging to that class does not turn out a fair load of work, the wages payable to that employee shall bear the same proportion to the fair rate of wages as the work done by him bears to the fair load of work, and in order to determine the productivity of employees and whether a fair load of work is being turned out by an employee, the Board or a Regional Board, as the case may be, may institute time and motion studies in such manner as may be prescribed.

The Bill provides for a penalty for a breach of the terms of awards in the form of fines. Only in case of offences for which a penalty is not provided in the Act is the maximum limit of a fine fixed, which may extend to Rs. 500.

The right to strike and declare lock-outs is restricted in the Bill. The right cannot be exercised by any party in pursuance of any dispute arising out of any matter referred to the Board regarding payment of fair wages during the pendency of the proceedings before such a Board. This also applies to the period in which the award is in operation.

Failure to turn out the specified fair load of work has been laid down as a good cause for dismissal.

The total annual recurring expenditure to be incurred by the Central Government as a result of the Fair Wages Bill will be about Rs 33 lakhs and by State Governments Rs. 50 lakhs. Substantial reduction in this expenditure, it is stated in the financial memorandum, is however possible by utilising the existing industrial tribunals in the country and by securing the services of members of the Boards without payment of fees.

WAGES BOARDS

The Bill contemplates the setting up of Wages Boards and Regional Boards which will determine the fair wages. The Wages Boards will primarly be a co-ordinating authority for the Regional Boards. So far as the Central Government are concerned, it is stated, it is proposed to set up a Wages Board and it may be necessary to constitute four Regional Wages Boards for "establishments" in the "central sphere".

The Boards will have the same powers as are vested in a civil court when trying a suit under the Code of Civil Procedure, 1908, in respect of summoning and enforcing the attendance of any person and examining him on oath, requiring the discovery and production of documents, issuing commissions for the examination of witnesses and any other matter which may be specified.

The Boards shall also be deemed to be civil courts for purposes of Sections 480 and 482 of the Code of Criminal Procedure, 1898, and any prodceedings before them shall be deemed to be a judicial proceeding within the meaning of Sections 193 and 228 of the Indian Penal Code.

OUR SPECIAL ARTICLES

Electric Installation Problems

BY

MR. K. V. BABU,
B. Sc., Marc. DIP. (England), A. M. I. R. E., (N. W.)
Ex-Officer in Charge of Installations — Field Area — 1946-'48.

[In this first of a series of articles on Electric Installations, the author examines how in emergencies as in war, they could be speeded up, irrespective of cost, to give quick Electric Supply. The scheme suggested might serve as an example for installing machinery for quicker service, when Hydro-electric projects fail, as happened in the Madras State during last season.— Ed 'The Ind.']

FIELD INSTALLATIONS

Factors to be considered in the installation of Generators and other static machinery in the war-field are somewhat different from peace-time installations. Here the diversified control over different engineering sections is not involved. Work on the installation of a generator includes housing, laying foundation, running of overhead lines, wiring within premises, planting poles, civil reconnaissance, and other allied problems, such as storing, preservation, and transport which have all to be co-ordinated and administered by a small staff. Secondly, latitude is allowed in the choice of materials which may not conform to set standards. Mobility of the troops at short notice sets a definite limit to the time of completion. The type of labour engaged is flexible according to availability, transport facilities, etc., though it is only a secondary consideration in the installation of small generators.

PRELIMINARY ELECTRIC SURVEY—QUESTION OF COSTS

The technician who works out details of a project has to consider the following points :—

1. The cost of the project generally consists of the operating costs of the plant, which may vary with demand and of a fixed cost which includes items like depreciation. But since military installations are semi-permanent in nature, considerations of depreciation and similar items do not arise here.

2. The cost of plant usually includes in the estimate for the project, a varying item proportional to the power developed by the plant, and a fixed item which includes labour for lay-out plan, and preparation of drawings. In the field, as there is a wide variety of plants available, choice of a plant is not based on cost only. The field system of accounting excludes the cost of plant.

3. Annual service cost includes that of supervisory personnel and labour, and a variable amount depending on the power output and energy consumed. In the field, these items are charged to the project subject to only a percentage of cost of energy.

4. Choice of plant: This is based on the following considerations :— i) Total connected load. This is fixed according to an Army publication which gives the entitled load for each army rank. (ii) peak demand which is the maximum load the plant is to sustain at any time. (iii) rated capacity of the plant fixed once the plant is chosen. (iv) Average power over the peak power supplied over a period of time gives an idea of maintenance charges (v) The plant factor which is the ratio of annual load to rated capacity gives usually an account of accumulating fixed charges but this is not applicable to field installations. (vi) Factor of usefulness. It is the ratio of maximum demand to capacity. This includes fuel and other charges.

In general, costs include the plant factor, and the load factor, which is the ratio of average power to peak power, factor of usefulness, demand factor, which is the ratio of peak demand to connected load, and diversity factor which is the ratio of power demands of elements of load to demand of whole load. This last one involves additional power demands.

5. *Efficiency* :—This is essential in small plants. For these, nearness of source of fuel and water is not of much concern. Importance of fire extinguisher facilities, camouflaging, and A R P. is also felt. These considerations give the type of plant to choose with demand

factors at roughly cent-per-cent for water turbines,next coming steam turbines, and lastly petrol-driven generators.

Other factors have also to be considered in the choice of a generator.

LOCATION OF PLANT

In small plants, the problem is one of electric transmission, as other factors are relatively insignificant. Hence small plants are usually situated near load centre. Large plants are however situated near sources of fuel and water supply.

The foundation for the location of a large plant is cement concrete, provision being made with the vibrating load section of the turbine placed in shore. For water turbines, it is a geological problem. In small plants embed the girders in cement concrete with a duct coverable by wooden planks to pass the cables. The storeyard at the back contains spare fuel with a workshop to cannabalise wanted materials. The location of the plant is to be chosen so that the noise of operation, ground shake, smoke, entry of fuel and removal of ash do not cause inconvenience to nearby buildings and establishments. The generator is usually located near a shrub or a dilapidated building to cover or camouflage.

CONSIDERATIONS AFFECTING LAY-OUT

The problem of location of a generator involves where best it can be laid with due considerations to loads at different points. Certain points are found good in practice :-

1. Location is to be such that at the considered load point, kilovolt-ampere-miles must be minimum.

2. Location of a plant with a considered view on costs, would however not give an ideal spot. It enables us to get sites where transmission costs are same for load taps. This can be proportioned to marginal costs. A polygon drawn to scale would give a graphical view for the location

3. Fuel transport charges are due to unloading, etc., and cost per mile. But this is of little concern to a military field engineer, as is water supply to small plants.

COST OF THE DISTRIBUTION SYSTEM

Component items on distribution cost is taken on following basis:—power plant 35%; inter-station cables, set up of workshop and labour connected with installation 12 per cent; poles, fixtures and running of copper wires 35 per cent; metres 12 per cent; and probable extension of load 6 per cent. The distribution system determines the frequency and the voltage at service, whether it is to be A. C. or D. C., and also design of plant. The costs that go to make the price of conductor per mile include a fixed cost made up of structure and labour attendant thereon, the carrying charges and labour in the power-station, and a marginal cost, inclusive of investment in copper, and other station costs. The problem

thus reduces to our choice of getting a minimum aggregate cost that will give the number of circular mils per ampere. The quantity of copper is a function of current flow in amperes. The Circular Mils are chosen so that the annual charges on copper per ampere equals annual cost of energy due to waste. This leaves out of account certain uncomputable losses. Then the proper cross-section to be chosen would be the square root of the sum of the squares as computed by above methods. The cost of insulators, and of tie wires, etc., is a function of distance and number of conductors, and the cost of conductors a function of size which is determined by the current. The annual cost of the Station would be the cost, exclusive of conductor section, cost proportional to size, etc., of conductor, and cost decreasing with conductor section. A polar curve for the purpose would give the following facts:—

1. Circular mils per ampere are directly proportional to square of power cost, energy cost, square of form factor and specific resistance (2) The load throughout the period under consideration and (3) Departure from the ideal curve not expected so long as it is true to service costs, type of conductor, etc.

TYPE OF SERVICE

As between 230 V. DC, and AC 230 secondary voltage, for smaller load D. C. is preferable. For higher loads, A. C. is better. With less load taps and long transmission distances, A. C. is the cheaper of the two.

VOLTAGE DROP AND SELECTION

The selected voltage should be such that the annual marginal cost of conductor divided by the said voltage was equal to half the annual insulator costs into power factor. Voltage drop is calculated on the thumb rule of 2000 circular mils per ampere and 1000 circular mils per mile. The ideal pressure would be a two hundredth of the square root of sum distance in miles and 10 times the voltage.

PHASE AND FREQUENCY SELECTION

Usual practice is to confine to 50 cycles per sec. for lighting and 25 cycles for power loads like railways. Phases are confined to three only. These restrict our choice of installation, plant, and distribution system. Economy, which is not always a factor in the field, is governed by the following comparisons:—

Assume (a)	Single phase two wires -:	
	Current carried	I
	Underlying charge, say	x
	Marginal charge, say	y
	Total charge	x+y
	Conductors	2
	Current	Direct
Then (b)	Single phase three wires with Voltage considered :—	
		220 volts
	Copper losses of item (a)	37% only
	No special advantage over (a)	

JL

c) Three phase—three wires Current in wire .57 of total I
Power 1.7 times of item (a)
Underlying cost 1¼ times and Marginal approx. 4/5th of item (a)
Copper losses equal. Thus superior to (a)

(d) Three phase—four wires....Copper losses 33% of item (a), but this type is rarely used in the field owing to cost.

MATERIALS

In the field, materials supplied are classifiable into three categories. These include a wide variety of things, like insulators, U bolts, binding wires, copper wires, insulation cables, earthing wire, cleats, bulbs, V. I. R. wire, shades, ceiling roses, silk pendent wire, switches, plugs, fans, tools, etc., and the main item generators. **Materials purchased locally.** These are timber posts to specifications, screws for nailing cleats, round blocks for cut-outs, etc. Cannabalised materials made in the workshop are ladders for use, cement mixing tools, parts of generators broken in transit, and the general finish up of the work.

LOCATION

Location of generator involves a further premium of underground A. R. P. shelters for operating personnel, roof colouring to correspond to colour of environs to make perfect camouflage well-guarded to avoid access to espionage.

TIME OF COMPLETION OF LABOUR IN MAN-HOURS

1. Plant installation and transport charges....	·30	Total project expenditure
(excluding coolying, wharfage, removal from dock, etc)		
2. Wiring of power house cables to the first pole	·08	,,
3. Pole erection and tarring (excludes cost of Poles, transport charges, etc)	·10	,,
4. Running of cables (excludes haulage)....	·12	,,
5. Wiring of houses and buildings (excludes special types of wiring, etc)	·02	,,
6. Labour charges including supervision....	·03	,,
On item 1—6 Total man hours	·70	,,

For the remaining 30% cost man-hours available, the Field Engineer gets freedom of choice.

CHIEF MINISTERS' FOOD CONFERENCE AT DELHI

A seven point—programme has been announced; equitable distribution taken the Indian Union as a whole, self-sufficiency by 1951 to be fulfilled, procurement to be intensified, consideration of price levels throughout the Union, and sufficient sugar-cane being made available from zonal areas.

ASSAM EARTHQUAKE

Tremors continue—North Assam separated from South—25 deaths so far—one lakh cattle facing starvation.

EDITOR'S JOTTINGS

Korean War

To a common man the position regarding the Korean War is not yet clear—whether it is merely a local conflict or only a beginning of a world flare. In spite of Sir B. N. Rau's attempts to conciliate at the Security Council, that body with 6 non-permanent members and 5 permanent members cannot easily decide what to do next. The popular Govt. of China is unfortunately out of it. The bombing in North Korea by Americans has indeed evoked loud protests all-round, but no explanation has come forward why **America** should choose to kill the innocent North Koreans. Though Pandit Nehru has expressed his strong disapproval of this, the Security Council has not been even seized of this question. Meanwhile, the Communist China is proposing to send a delegation to the General Assembly meeting at Flushing Meadows on Sept. 19. The question of 'Formosa' is still unsolved—whether America has really any interest there, but it is to be considered by the Security Council. We hope that the General Assembly would solve the Korean tangle once for all, so that a similar crisis may not crop again.

Fundamental Rights

The New Indian Constitution has attached greatest importance to the individual rights of a citizen in all spheres, such as personal freedom and speech (except affecting the security of the State), freedom of worship, educational facilities, and facilities for employment, irrespective of race, creed, sex, etc. In fact, it aims at a secular State wherein every man or woman could aspire to be a free, honest, law-abiding and useful citizen of the land. But conditions in this wide sub-continent had been lop-sided for centuries i. e. that one Province is more advanced than another, that one community is more progressive than another, that employment has been based on communities and sex, that particular communities are more advanced in education, and that strong divergent political views are being held. The Government too have not, for example, necessary finances to provide for education for all, and they cannot provide sufficient avenues for employment for all. Nor can the Governments and the Ministers themselves be free from any political bias, as they had been brought up under traditions of a type of political tutelege, from which they cannot easily depart. The result is a sort of chaos—the Courts for example, deciding in several cases that personal freedom had been affected by Public Safety Maintenance Act of the Union or the Criminal Law Amendment Act in some States. Cases have arisen where Laik Ali's who escaped from detention were excused as after Jan. 26, fundamental rights were considered more sacred, and where men like A. K. Gopalan cannot be detained without the State Govt. giving adequate reasons for such detention. Also Clauses of Prohibition Act are held *ultra vires*, as invidious distinctions are sought to be made between Indians and Europeans, and between Civil messes and Military ones. Even admissions to Colleges based on basis of communities are held invalid. How then are the fundamental rights of individual citizens to be sustained, when conditions as they are, in the country do not warrant abolitions of such distinctions all over-night? If scheduled castes and Anglo-Indians are to be given protection by the Constitution, why not other weaker elements of Society also at least in the matter of education and employment? But who the weaker elements are—is yet to be defined. If the set-up of the present Govt. is claimed to be *democratic*, why not then allow full freedom of speech for those who differ from their policies—without of course allowing them to infringe the public safety in any way? But infringnment of public safety by individuals should necessarily be differentiated from policies of Associations which aim at canons against public safety. The answers to these questions would largely depend upon how our Governments are run which should, as their sole aim, have a complete democratisation and allow freedom in all matters—social, educational and economic. The laws of the Union and the States should be examined in this perspective, without the Courts frequently coming in to show either the defect in the spirit of the laws, or in the language of the several Clauses, as is now happening every day.

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Protection to Plywood Industry

The Government of India have announced their policy of protection for Plywood and Tea-Chests Industry for another three years from 1st April 1950 based on the recomendations of the Tariff Board. Protection to an industry by the Government clearly implies at least six considerations — adjustment of prices of local products to those of imports plus protective duty *without the consumer being penalised*, a guarantee of supplies of raw materials locally and from outside necessary for the industry, improving the quality by research, and rationalisation resulting in reduction in costs, and in the new context supplementing even necessary finances by the State aid, and helping marketing. But 'protection' is not intended to create a monopoly for any privileged units. Thus, in the case of all protected industries, if foreign competition should be eliminated, unless all these six factors rationally combine, the protection offered by the Government loses its siginificance and total effect. But in case of most of the capital industries such as steel, cement and chemicals, for example, there are natural facilities, advantage of capital formation by individuals, and easy marketing, besides the Government's aid of a high protective duty and of supply of raw materials which have all helped individual factories. There are a few protected industries, however, where all the six factors do not rationally combine, and protection in such cases turns out not quite fruitful. 'Sugar' is one of these cases where protection failed, as monopoly was created which was responsible for certain units taking to anti-social methods in trading.

Now with regard to Plywood Industry, which has received protection comparatively, all the six elements have not coalesced in properly. The Industry did well during the war when the Government offered many facilities. But now the old foreign competitor has come in again encouraged by the sister industry *tea* which is owned mainly by European tea-planters, who have a bias for foreign tea chests; and tea being both a dollar and sterling earning commodity, the Government thought they could not afford to miss even 1% chance for losing tea trade. Under the circumstances, it is for the Plywood industry to organise itself properly and to have its influence felt on both the Government and the tea-planters, if the industry should succeed. But even so, the recommendations of the Tariff Board which the Government have accepted only partially, have not probed into the entire plywood problem deeply. Thus (1) a mere protective duty of even 30% *ad valorem* cannot be effective, when tea-gardens are allowed 'to choose' and 'to pick' between local supplies and foreign imports. It should be made statutorily compulsory that accepted standards of local tea-chests should necessarily be purchased by tea-gardens (2) Again, with the increasing capacity of the local industry to produce more and more, foreign imports should once for all cease, say, after 5 years when the industry would have organised itself properly (3) Research Laboratories at least for standardising, should be opened in plywood zones, with the protective duty utilised for the purpose, instead of waiting either for voluntary contributions or for even a cess as proposed by the Tariff Board (4) The State Governments should be asked to legislate to reserve portions of both private and reserve forests for growing suitable timbers for plywood (5) The Government should arrange supply of *casein* by increasing local production and larger imports free of duty. Since the prices of both timber and casein have gone up by 50% over April prices, Government should urgently consider measures for stabilising economic prices both for timber and casein (6) and above all, a machinery is necessary both at the Centre and at Plywood zones, by legislation, to take charge of all statisties, research and adequate supply of all raw materials such as timber and casein at 'economic prices'. Here indeed the Plywood Associations have an urgent duty and a very important role to play.

Imports — Further Relaxations for July-Dec. 1950

From Soft-currency Areas Spare parts of machinery and replacements, paper required for match industry, Silver and nickel silver, Insulating materials etc.—can be imported fully on demand.

Mr. V. S. NATARAJA MUDALIAR

Member, Committee of the W. C. I. A., writes :—

To

THE EDITOR, "THE INDUSTRIALIST"

Subject: **COCHIN-TRIVANDRUM RAIL LINK. — CEMENT-CONCRETING CHEAPER THAN RAILWAY**

During the visit of the Prime Minister at Cochin, he mentioned that Trivandrum would soon be linked with Cochin by Rail. Some of the State Ministers also appear anxious for such a link. The scheme would cost anything over 5 crores of rupees and it would be an act of wisdom to assess precisely the advantages of such a scheme.

Since the present Railway line at Cochin is Broad Gauge, and the existing line from Quilon-Trivandrum Meter Gauge, there will be a break of Gauge, even with a through link from Cochin to Trivandrum.

Regarding freight movement, it is well known that the back-water transport charges between Cochin and Trivandrum are extremely cheap and Railway cannot compete with this

As far as Passenger traffic is concerned, it would be a sounder proposition to cement-concrete the entire length of road between Cochin and Trivandrum and run a Fleet of Modern fast Diesel Busses at frequent intervals Such a service will bring the 110 miles between the two cities within 4 hours of each other, whereas judging from the speed of the S. I. Railway in the West Coast. Railway journey will take about 6 hours at the least. Cement-concreting the road and a fleet of 12 busses will not cost more than 1.5 crores of rupees.

Under the existing circumstances, it appears that a Railway link as envisaged above is unnecessary and needless luxury at the present stage. The West Coast has many urgent needs, at least one among them is the conservation of unlimited quantity of water that flows to waste into the Sea from the numerous streams and rivers, which if put to good use, can considerably step up the food production of the West Coast

From British Information Services

NEW 180 H. P. DIESEL TRACTOR

Heavy track tractors each weighing 14 to 15 tons, designed for world-wide use in a variety of fields—primarily industrial—are being produced by a British Company. The tractor can be used as a bulldozer or scraper and for all forms of earth moving. It will be fitted with a Rolls Royce engine of about 180 h. p. Though not essentially an agricultural machine, it is expected to meet a big demand in those countries which use very heavy agricultural equipment.

WORLD'S FIRST MECHANICAL ELEPHANT

— PUBLIC DEMONSTRATION IN BRITAIN

The world's first mechanical walking elephant has just had its public showing in Essex. This robost elephant is 12 feet long and 8 feet high weighing over a ton and is driven by an 8 h. p. engine. The elephant's four legs are mounted on independent oil-controlled points which enable it to pick its feet right off the ground and add realism to an already amazingly life-like model. The driver sits over the elephant's neck where there is a steering tiller and normal car controls. There are four gears and a reverse and in perfect condition a speed of more than 20 m. p. h. may be reached.

NEW LIGHT CAR FOR CITY TRAFFIC

A new light car specially for city use has just made its public appearance in Sheffield. The car, which is a 12 h. p. convertible, seats five people, has a top speed of 80 m. p. h. and can do more than 32 miles to the gallon. The chassis is made of tubular steel and the body of aluminium. It is easy to park and to handle in busy streets. Known as ' Fairley ', the car was made by one of Sheffield's oldest firms. It is entirely "Hand-made" model.

Food Famine in Madras

With the allotment of 10000 tons loaned by Ceylon, and of 20000 tons from Northern India, the food position in Madras has fast improved. Harvests in West Coast Districts are in full swing, and Kuruvari Crop in Tanjore and Trichy Districts is promising. In Malabar a deficit district, with the harvest just started the position is improving.

Yarn Famine in India

The news of closure of mills and of Hand-loom factories owing to lack of yarn — is reaching us every day. Why should the Government *export* yarn, when the very life of lakhs of people in the Union is depending on it? Is all this muddle due to incapacity or lack of clear thinking on the part of our administrators?

COW-TREE MILK

BY

SIR T. S. VENKATARAMAN, C. I. E.

The cow-tree is the latest addition to the series of introductions that have been blazoned in the Press and otherwise, as solutions for our food problem.

Its predecessors include (1) the soya been (2) the kudzu vine and (3) the edible Canna (Canna edulis). After attracting considerable attention in the beginning, these have since receded to the background and some have practically disappeared. Most of these have been proclaimed by persons in responsible positions with the best of intentions and indicate their genuine anxiety to solve the great food problem.

The Public would, however, like to have greater details about them. Regarding the "Cow Tree," for instance one should like to learn the climatic and other conditions favourable for its growth, the yield in quantity, nutritive value, and economics of the product. There can be little doubt about the use of new introductions in the past—the Casuarina, the Eucalyptus, and others. To this same class, belongs the attempt at substitutes for the staple cereals of the land which appear to be now receding to the background.

SPANIARDS DISCOVERED IT

When the Spaniards came to South America early in the 15th century, they were amazed to see the natives drinking milk drawn from a tree. The milk they found was as delicious as the cow's milk. They called this cow-tree milk. The tree is mostly grown in Venezuela and some parts of Brazil.

The most famous of the cow-tree is the Palo de Vaca of the Cordilleras and Caraccas (Golactodendron (Brosimum) utile), an artocarpaceous tree, with large laurel-like leaves and very small flowers.

The milk is obtained by piercing the bark of the trunk or branches, and flows so freely that an ordinary bottle may be filled in half an hour.

The milk has an agreeable creamy odour and taste recalling that of cow-milk, but is slightly viscid and soon becomes yellow, gradually thickening into a somewhat cheesy consistency. Its chemical composition, of course, widely differs from that of milk, but its nutritive value is considerable.

Mr. K. M. Munshi, Minister for Agriculture told Parliament recently that a scheme had been sanctioned in Bombay to grow cow-trees.

Hiring of Tractors in Madras

RATES INCREASED BY GOVT.

The revised rates are: Ploughing by all types of tractors, Rs. 10 per acre. harrowing, Rs. 5 per acre, levelling with bulldozers, D7-type, Rs. 12 per hour; levelling with bulldozers, D6, TD14 types, Rs. 10 per hour; and levelling with bulldozers, TD9, TD6, T6 and D4 types, Rs. 8 per hour.

DEFENCE AGAINST ATOM BOMB

—JAPAN EXPERIENCE—

—Designing of Shelters not Difficult—

It is not difficult to design atom bomb shelters, which would save life directly below an air burst bomb, says a report published by the United States Atomic Energy Committee.

In a 400-page book on the effects of atomic weapons, the Committee said the main problem in atom bomb defence was to be prepared to deal with large numbers of burned patients.

Flash and flame burns were believed to be responsible for over half the fatal casualties, and probably at least three-quarters of all the casulties at Hiroshima and Nagasaki.

The Committee belittled radiation effects, which, it said, accounted for a maximum of 15 per cent of casualties in the atom bomb explosions in Japan.

While nuclear radiation may definitely be a hazard, the extent of which will depend on the type of atomic explosion, it is by no means to be regarded as being of dominating significance," the report said:

EFFECTS ON HUMAN REPRODUCTION

Discussing the effects of radiation on human reproduction, the Committee said there was a large body of data, which indicated that any dose of radiation, however small, increased the "probability of genetic decay."

But it concluded—from still incompleted experimental work—that the probability of passing on chromosome aberrations to the next generation would be greatly reduced if individuals, exposed to doses of radiation, refrained from "begetting offspring for two or three months following exposure."

The Committee warned that "virtually complete" destruction would occur within a radius of about half a mile from "ground zero"—the point directly below the burst of a bomb exploded at 2,000 ft—the height for maximum area damage.

Severe damage, defined as major structural damage, which would result in the collapse, or liability to collapse, of a building, would occur within a radius of a little over one mile.

Partial damage would be inflicted within a radius of about two miles, and light damage, mostly plaster damage and window breakage, might extend to within a radius of eight miles or more.

The Committee said that general experience in Japan supported the view that the effect of one building in shielding another from blast damage would be slight.

The Committee said it was the "considered opinion" of a group of highly qualified architects and engineers who surveyed atom bomb damage at Hiroshima and Nagasaki, that the resistance to blast of American homes would not be markedly different, despite popular conceptions about the flimsy nature of Japanese homes. American steel industrial buildings would probably fare no better than those in Japan, the report said.

The Committee dismissed as "groundless" fears of world-wide contamination by radio activity resulting from atomic explosions.

In order to constitute a "world-wide hazard," it calculated about one million atom bombs would have to be detonated on the earth's surface, roughly one to each 200 sq. miles.

"This clearly represents a highly improbable situation," the report added.

BUSINESS MANAGEMENT—ANOTHER ASPECT OF IMPORTANCE

By Mr. P. P. NAMBIAR, M. A.

Quite often these days we come across statements condemning businessmen and traders in one general sweep. In most cases the individual fault is magnified as that of a class or group of persons and mud thrown at the business community as a whole. This problem needs to be faced, by taking every opportunity of explaining to the public at large the essential points behind any business and industrial organisation. Interest is increasingly focussed on the why and what-for of organisations, and the clamour needs to be met. That is to say businessmen have to take positive interest in explaining their service to society, be it in the manufacture of a product, or in the provision of a service. That is how public relations came to be formed as a specialised function under business management.

SIGNIFICANCE OF PUBLIC RELATIONS

There is in our country some amount of confusion as to what is meant by the term 'public relations.' The Governments and the Railway and the army organisations have been using this term for the section dealing with publicity through press, cinema, and other advertisement media. And therefore it is often confused as being another name for public relations and advertising. Publicity is concerned with the selling of a product and the dissemination of information useful to it. The advertising side deals in a specialised manner with one of the methods of selling. Public relations, though having some connection with both, has come to be more and more clearly specialised as a work in itself, particularly in America where it originated first. In our country there are public relations officers attached to the government and to the railways and the army, admittedly doing publicity work. A number of commercial institutions have started separate sections dealing with public relations, as distinct from publicity work. With the problems of industrial organisation in our country being much different from what it is elsewhere, it is being evolved in a quite manner.

Public relations is the work of giving expression to the institution so that all those who deal with it may feel a human touch in its work. Now in business it is a fact that this human touch is found more than in official administration. As an institution grows in size, this human aspect tends to have a slackening off and it is partly to make this up separate public relations sections are opened in the institutions. Public relations consists in being good to the customer, as far as the smaller organisations are concerned. In the case of bigger institutions it amounts to dealing with not only the customer, but also many a non-customer. As the institution grows in size its activities attract the attention of many who have nothing to do with its work, and many of them feel like knowing about organisation. This desire has to be met half-way so that the good-will is properly maintained with the customers, non-customers, the Government, the employees, and the public in general.

PUBLIC RELATIONS — ALL EMBRACING

Public relations is an all-embracing work. Every employee of the institution is a public relations tool. A wrong answer on the telephone, a rude letter, a bad interview, all these have effects on the institution as a whole. Quite apart from this, there will be some non-profit work of the institution which will have to form part of the management and administration. There the public relations aspect is quite often more specialised. The public generally believe that commercial institutions are only profit-making concerns. While it is a fact that without profit, no institution can go on, it will be helpful to put before the public the fact that certain services are performed by the organisation, and that the profits made are incidental and essential for this purpose.

An enthusiasm for hard work, a desire to learn as much as possible, an eagerness to help and serve others, a frankness in expression, ability to be satisfied to work behind the screen, a good character and cultural background, an adaptability to meet different people and different situations are among some of the qualities needed for any one who wants to do public relations work. For his arena is vast and wide. He has to deal with several types of people. Naturally greater his ability to study and understand people, the more his ability to work out what his institution expects from him. In the words of Charles Sawyer, U. S. Secretary for Commerce, 'in selling itself business must convince the millions that business is on their side.' The public relations man will succeed best if he never hogs the show. He can put forth his knowledge and experience through the other executives of the institution and thus build up the prestige of the institution as a whole. He has to have his satisfaction in thus being helpful to the institution, as a whole. He should not seek personal honours. The work will be in vain if anything is put forward as "possible relations." The nature of work should be so done that good relations is felt rather than merely talked about. The climate of good relations should be created by a careful process of psychological study and consequent actions thereof. Mere talking or writing will not give results. Public relations begins at the top. The Chief of the organisation should keep good relations and then only what is done by the sectional workers have effect. And all this is to be shown in the conduct of business, so that natural goodwill results.

Knowledge of economics, sociology, political science, history, and philosophy are helpful for doing public relations work. These social sciences are needed to understand the different aspects of an institution's working, so that the proper emphasis may be laid on what is required fresh, and proper knowledge disseminated about what has been specially achieved. Public relations is the business of conveying facts to supply potential friend with all the evidence he needs to form a definite idea of the value and importance to him of your company, says John P. Syme, Director of Industrial and Public relations for John-Manville Corporation.

The public relations should study his organisation first and then spread his study to the customers and the public outside. In this manner he will be able to serve the institution best. He must remember that his is a self-effacing job. "They are somewhat mysterious gents; no one can understand what they do until they have gone," says Francis Lewcock about public relations officers. The details of work will depend on the particular organisation.

Editor's Jottings

Korean War
UNO Security Council

The debate in the Security Council during August 1950 with the Russian representative as Chairman, looked more like school boys' when both sides were clinging to their own position accusing the other, without arriving at any settlement. The Anglo-Saxon side would not allow the popular Govt. of China to enter the portals of the Council, nor would Russia admit her part in this unwholesome war. Now, the South Korean representative has been invited to present his case to the Council, but North Korea cannot be heard so long as she does not move back her forces beyond the 38th parallel, and stop the aggression. The resolution asking nations not to help North Korea has been vetoed by Russia.

Election of Congress President—
Mr. Purshothamdas Tandon elected

Unlike in old days, the election of the Congress President in recent years had become more or less a *routine*, but this year's election by an Electoral College voting on the method of proportional representation with a transferable vote, and with, minimum 50% of valid votes for a decisive election, has caused a considerable excitement. With the advent of the Republic, though the status of the President in the eyes of the public is considerably reduced, still the head of a large body of electorate belonging to the largest political party in the Union, can always exercise a healthy influence on the oft-erring executive who is often guided by rules and procedure bereft of public opinion. Mr. Purshothamdas Tandon, the newly elected President, has served the cause of the Congress loyally for 40 years, and as the Speaker of the U. P. Assembly had made a mark for independent decisions in many matters of Parliamentary procedure. The newly elected President will hold office for three years, as per the New Constitution.

Food needs of Madras—
Confusion is worse confounded

The discussion in the Madras Legislative Assembly on the food position does not throw any light why the debacle that happened in July and August could not have been avoided. We are sure that if both the Central Government and the State Government were aware of the actual 'statistical position', the crisis might not have happened. But the pity of it is, that they were not sure of their own figures, which frequently changed like monsoon weather. Mr. Roche Victoria declared that since Jan. 1950 upto date 1,73,000 tons had been received against a requirement of 2,30,000 tons, thus leaving a balance of 57,000 tons only. But since there was no allotment for August, according to the Minister, the famine conditions started and the procurement too failed. But in fact, the shortage of food-grains started glaring during last March itself, as the monthly average of import of 30.000 tons had not been kept up. But surprisingly the announcements and speeches of the Madras Ministers showed that 'everything was alright', and they were quoting different figures at different times. Food position in Madras has been deteriorating, partly because the Govts. do not know their own requirements, and partly because the Govt. of India cannot arrange supplies to deficit areas as and when they require them.

Working of Import Control

The Import Control Enquiry Committee which had been set up by the Government of India, have been asked to inquire into the procedure for the fixation of import quotas for individual commodities, and the method in dealing with applications for licenses, etc. We have to say that the efficiency of the import trade control would considerably depend upon the nature of the organisation which controls it, and upon whether applications for licenses are promptly dealt with. The present complaints against the working of import control are broadly speaking three-fold:— Firstly, invidious differences between Province and Province in the matter of imports; secondly, the delay in imports of materials and accessories affecting production, and thirdly, that some articles are completely banned without any reference to the statistics of consumption. Unless these are remedied, the import policy of the Govt. will always be questioned.

Also, it is necessary that the actual users of the imported commodities should as far as possible be preferred to the middlemen handling those goods. The statistics of actual requirements of imported goods is not properly kept up, which has resulted in many new-comers coming in who have absolutely no trade connection with foreign markets. Also the Certificates which the Banks are asked to give are not, strictly speaking, a correct procedure, as Banks are not always competent to issue such certificates.

It is also necessary that the Customs Tariff Guide should be brought up-to-date and the validity of Open General Licenses should be extended to at least one year, to facilitate importers to buy in competitive markets and to sell at economic prices. Licenses should be revalidated freely for imports from other countries in the same currency area, on proper representation.

Also the Commercial and Industrial Organisations in the country should be consulted regarding various matters connected with Import Control, if it should be effective.

Sugar Enquiry Committee

The President of the Republic has issued an Ordinance vesting the Committee with all powers of a Civil Court.

Handloom Industry in Madras State

No other industry in Madras is in such a haphazard state as Handloom. The yarn quota, according to official report, was fixed in 1948 on the assumption that 80,000 bales of yarn would be available each month, but the average monthly production now stands at 61,000 bales only. But curiously, nearly 15000 bales were exported each month, leaving a balance of 46000 bales only for consumption by the Industry. The main reasons for fall in production are closure of some mills, cut in power supply, change over to finer counts, and unwillingness on the part of some composite mills to supply yarn at uneconomic prices. Apart from the question of supplies, the present level of price for yarn fixed by the Govt. is not kept up owing to short supplies resulting in high black-market rates. It is therefore necessary that larger supplies of yarn should be ensured by stopping exports altogether, and by a revision of prices. Also the composite mills may be tempted to supply yarn, if prices of cloth could be depressed.

Indian Coastal Shipping—Formation of a National Harbour Board

No subject is of greater importance to-day in the field of inter-state trade than development of the Indian Coastal Shipping, superseding foreign ventures and encouraging Indian Shipping enterprise by all means. We are glad that the Govt. of India have defined their policy in this matter to encourage all national effort, but there should be an active attempt by means of a Central Shipping Committee to organise, to invite public capital, to build and purchase ships, and to regulate both the coastal and canal traffic. In the matter of priority, coastal areas like Malabar and South Canara in Madras State where for want of railway facilities, coastal and canal shipping are the main avenues for transport of goods and of passengers, should get the first preference.

Power-ridden boats and small steamers should be the normal feature for coastal transport in such areas. As the Indian Shipping Committee have recommended, there should be a greater rigour in controlling coastal transport and traffic, and we would prefer a broad-based Central Legislation on shipping and a centrally administered Committee to regulate it.

In this connection, we feel that the proposed National Harbour Board to consist of 18 members to administer the main ports and harbours, should be in charge of smaller ports also, which are in a neglected condition, particularly as State Ministry will be included in the proposed Board.

To Check Rise in Prices of Consumer Goods

New Union Ordinance Issued: Pre-Korean War Rates Fixed

An Industry and Supply Ministry Press Note says that the Ordinance is in keeping with the general agreement on the policy to be pursued to reduce prices and prevent hoarding and profiteering reached at the recent Chief Ministers' Conference held. That conference recognised the need for stern measures and swift and deterrent punishment to suppress hoarding and profiteering, and also the need for a uniform policy and common direction in regard to price control, supplies of essential goods, and other measures.

To begin with, the following items have been brought under the scope of the Ordinance:

Non-ferrous metals, including brass unwrought and semi-manufactured bicycles, cycle tyres and tubes, electric bulbs, razor blades, Caustic soda, Soda ash, tanning materials (wattle bark wattle extract, and quebracho), raw rubber, casein, and infant foods (Glaxo Horlicks and Cow and Gate milk).

The maximum prices of non-ferrous metals are to be announced shortly. Further items can be added to this list, if the situation so warrants, by notification in the *Gazettee of India.*

The Ordinance is called the Supply and Prices of Goods Ordinance 1950.

NEW POWERS FOR UNION GOVT.

The Ordinance empowers the Union Government :-

1. To fix the maximum price which may be charged by a dealer or producer

2. To fix the maximum quantity which may, at any one time be possessed by a dealer or producer, or which may in one transaction, be sold to any person

3. To impose on dealers and producers the duty to declare possession of stocks in excess of the maximum fixed

4. To penalise refusal to sell goods without sufficient cause

5. To mark prices and exhibit price lists and statements of stocks

6. To impose on a dealer or producer the obligation to state the price separately on a composite offer

7. To prohibit closure of shops and

8. To regulate the production and distribution of goods.

The Ordinance provides for punishment with imprisonment, for a term which may extend to three years, or with fine, or with both, of any person who contravenes any of its provisions. It also provides for punishment where the person who contravenes any of its provisions, or of any order, or direction, made thereunder, is a company or a corporate body.

SUMMARY TRIAL

The Ordinance says that notwithstanding anything contained in Sec. 260 of the Code of Criminal Procedure, 1898, (V of 1898), a magistrate empowered to act under that Section, may try an offence punishable under this Ordinance in a summary way under the provisions of Chapter XXII of the said Code.

DIRECTIONS TO DEALERS AND PRODUCERS

Notification prescribing maximum prices in respect of certain goods, issued along with the Ordinance provides that every dealer or producer shall exhibit, as soon as possible, and not later than **Sept. 10, 1950** and on the first day of every subsequent month at an easily accessible place in his premises a price-list of goods held by him for sale and also a statement of the total stocks.

In the case of certain goods the dealers and producers are required to report to the Union Government the stocks held by them on Sept. 1, 1950.

Under Sect. 9 of the Ordinance, it is made obligatory for dealers and producers to issue cash memos for all cash transactions of Rs. 10 or more, and for cash transactions for less than Rs. 10 when the purchaser demands a cash memo.

By a rule made under this Section, it has been prescribed that each cash memo should contain the name and address of the buyer.

RICE POSITION IN MALABAR

Malabar Collector's Press Conference of the 31st Aug.

With the arrival of 21,275 tons of food grains during August and with the harvest actively on food-crisis in Malabar will be resolved to a considerable extent. Still intensive procurement for the next two months with full public co-operation—should be the endeavour of both the Govt. and the public.

SUGAR POSITION.

'Sugar' continues to be bad, as there is still a balance of 6400 tons out of quotas between March-July. The Board of Revenue has been requested for an additional allotment of 5000 bags immediately.

PRICE ADVISORY COMMITTEE

The Committee which met on the 14th Aug. is to meet again soon. Meanwhile prices are soaring. Public co-operation will be essential to control the retail prices, where there are no statutory powers to enforce them.

COLLECTOR'S WARNING

The chemical fertilisers supplied for food-crops should not be diverted to other crops. Those who contravene this order will not be eligible for purchasing the fertilisers in future.

Allotment of rice to Madras State in Sept. — loan of Ceylon rice

20,000 tons of rice (Overseas) plus 35,000 tons of wheat plus 42,000 tons of milo, besides Ceylon loan of 10,000 tons of rice plus expected procurement of 20,000 tons rice, would be allotted to Madras.

CURRENT NEWS

Bombay Textile Strike

Position is improving — five mills working *full*, ten *partiailly*, and the remaing closed. The Appellate Tribunal is enquiring whether the illegal strike does not amount to *contempt of Court*.

Yarn Position in Madras

It is getting from "bad" to worse. Unless the Centre revises its policy of exports, *at once*, most of the factories would have to be closed—leading to an unprecedented crisis of unemployment and starvation, of more than half a million in Madras State alone. The W.C.I. Association have telegraphed to the Textile Commissioner, Bombay apprais-ing the exact position.

Industrial Housing
—Planning Commission's New Sceheme

In place of the old scheme (of $\frac{2}{3}$ capital outlay to be advanced by the Central Govt.), it is now proposed to levy a *cess on industrial production*, to finance the entire scheme — in analogy with what obtains in Coal Industry. *Textiles* will be taken up first.

Restoration of Dismantled Railways

During three years following 1951-'52, twelve old railways will be restored —which include Madhurai-Theni, Shoranur-Nilambur, and Bobbili-Salur in Madras State.

Cloth for making umbrellas

15 lakhs of yards of cloth for making umbrellas have been allotted for Madras.

Ceiling Price of cotton increased

An increase of Rs. 150/- per candy of 784 lbs. in ceiling prices of all basic varieties for 1950—'51 cotton crop, with however the floor prices, and the 'off' and 'on' allowances for staples remaining the same.

Trade Delegation to Indonesia

Mr. P. A. Narielwala, Director of Tatas' will lead the trade delegation to Indonesia, which left India on 6th Sept. Messrs. A. P. Mathur (of the Ministry of Commerce) and C. M. Kothari, K. B. Roy, M. P., K. L. Chowdhury, B. T. Thakur and Sardar B. S. Bugga are other members. The delegation will return to India (via) Singapore, Bangkok and Rangoon.

'Kashmir Problem'
— Now a Question of Fundamental Research

With the exit of Sir Owen Dixon to report to the U.N.O. of his incapacity to adjudicate, the Kashmir question goes back to where it started—why Pakistan which aggressed was allowed scot free, what business the so-called Azad Govt. had in this picture, and why the present Kashmir National Govt. should not take up the Plebescite to decide Kashmir's future. India has spent crores and lost many valuable lives for the cause of Kashmir, and she cannot at this stage withdraw without a final settlement of this vexed question.

Fate of Andhra Provincial Congress Committee

Mr. S. K. Patel who was asked to investigate into the affairs of Andhra Provincial Congress Committee found that the warring elements were in the ascendant, with perennial warfare and deadlock. The High Command felt that the only remedy was to supersede it and to hand it over to the management of Mr. Patel himself.