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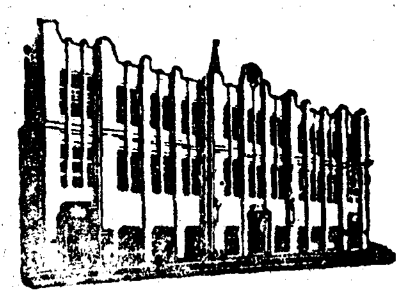
From many points of view and to all sections of the public, the appointment of Mr. Harekrishna Mahatab must have come as a welcome surprise. Even more surprising is the portfolio assigned to him, not less surprising than the choice of Dr. S. P. Mookerjee was earlier for the same position.

Mr. Mahatab is a Gandhian wedded to the philosophy of the Mahatma, having been, like Babu Rajendra Prasad, the Aristedes of Orissa politics. His rise to name and fame is a triumph of sheer character, unsullied devotion to the cause of the country, and matchless flair for unostentatious service. He found post-war Orissa a *damnosa hereditas* in every sense, riven by regional, party and group factions and pestered by princely intrigues. Into that poverty-stricken and illiterate Province, Mr. Mahatab breathed life. His *Orissa Redivivus* has earned for him the reputation of a wonder-worker. It will not be altogether wrong to say that his handling of the Eastern States and potentates proved a source of inspiration to the States Ministry in its task of the unification of India. He has given Orissa a romantic capital, a university, and hydro-electric projects calculated to make it a land flowing with milk and honey.

What is the secret of his success and which the source of his inspiration? He is steeped in the traditions of his land, the great Kalingadesa of ancient India, the land of many *rishis*, the place where Jayadeva of *Gita Govinda* composed and sang his immortal lyrics. Can it be doubted that an influence so enthralling must be pervasive and priceless? His powers of initiative, energy and unbending integrity are assets of the highest importance to the country at the present juncture. He is a Gandhian without being a doctrinaire, a Congressman who sheds lustre on the Congress.



CONTENTS

Business Week India
VOL. III No. 23

NOTES AND COMMENTS

Light of Liquidations

The statistics just available relating to joint-stock companies which ceas work in 1949 deserve clos . We gather that till August last year 520 Joint Stock Companies went into liquidation involving paid up capital amounting to Rs. 504·7 lakhs. The figures for the corresponding period of 1948 were 327 companies with paid-up capital amounting to Rs. 184.4 lakhs. The figures for the calendar year, 1948, were 578 companies with the paid-up capital amounting to Rs. 321.7 lakhs. It will thus be seen that the number of liquidations in the first seven months of 1949 was almost equal to that for the whole of 1948. The figures for the paid-up capital are more striking. The amount involved in the liquidations that took place in the first seven months of 1949 exceeded the figure for the whole of 1948 by Rs. 183 lakhs.

What is the meaning of these figures? What is the lesson it yields? It would be a mistake to suppose that simply because a company is wound up, it means that the business it carried on was unsound or that it was unprofitable. Many companies are wound up to be reconstructed because of their highly prosperous condition requiring additional capital or because the many agents or controllers of their destiny wished to carry on a profit-taking operation. The fact that the old companies continue to pay decent dividends shows that the liquidation of the old-established companies was not necessarily due to poor financial conditions. One does not know moreover, how many of the dead companies are new ones and how many are adults. The statistics deserve close study.

* * *

Tea: Hopes and Fears

That the general outlook for the tea industry in India is good is, as would have been noticed from these columns in the past two or three weeks, the general feeling among planters. But some of the fraternity appear to be extra-cautious.

"Though the world demand for tea is great, we must see that there is no slackening of efforts to produce good tea in India," said Mr. M. N. Barua, Chairman of the Assam Tea Planters' Association, in his address to the 13th annual general meeting of the body held at Jorhat recently. "The Indonesian production of tea," he said, "may not take long to be in full swing. Hard days of competition are fast approaching. Unless immediate steps are taken to improve the general standard of manufacture and packing, unless we can offer good tea and the cost of production is lowered and arrangements made for better propaganda, we may lose the U. S. market."

Another headache of the industry which warrants caution is the rising rate of taxes. Mr. Barua criticised the increase in the corporation tax and the decision of the Assam Government to apply the sales tax to articles for manufacture of tea. The industry was being compelled, he said, by the Finance Ministries of both the Union and the States to increase the already high cost of production. Even with the old rates of taxes on tea, the industry was contributing about Rs. 13 crores to the Government exchequer. Any further increase in the cost of production might make the industry lose the British market.

A third cause of rising costs is the food position in plantations. Mr. Barua said the Government should help to intensify cultivation of paddy and other food crops wherever possible in the tea gardens. Supply of foodstuffs at concession rates, higher wages for labour and higher transport charges were among other factors responsible for the high cost of production.

* * *

Towards Bankruptcy!

The Reserve Bank's study of the finances of the nine large States in the Indian Union draws attention to an aspect of this problem to which we have made reference earlier. (See BUSINESS WEEK, Vol. II, No. 48). Their expenditure has far outstripped their revenues and much of their balances and reserves built up in war-time have disappeared. No fresh sources are on the offing and ceilings have had to be put on some of the existing sources such as the slaes tax. Borrowing is out of the question, for not only are the markets lean, but with the existing resources, they have not the wherewithal to service the loans.

What alternative have they have then? They have necessarily to cut down expenditure. Much of this expenditure is wasteful and, as the survey of the Reserve Bank shows, they do not find expression in concrete progress. They are largely spent up in the seepage in their own channels. The greatest need of the moment is a revolutionary change in methods of social service and what is called nation-building expenditure. All these years this expenditure, huge as it has become, has done little to build up the nation. Illiteracy is as bad as it ever was, and there is little improvement in the nation's health. School medical inspections have only served to show how serious and progressive has been the deterioration of the health of the nation.

Can we not expand education by less expensive and more fruitful ways? Is housing proceeding on right lines? Need clothing be so costly as it still is in spite of Gandhiji's great success in cutting down expenditure on this item? Let us return to our traditional simplicity—plain living and high thinking—and, then, our finances will become absolutely healthy.

* * *

Power Alcohol: Pros and Cons

Delhi is apparently disgusted with power alcohol. The buses there had been using a mixture of petrol and power alcohol for some time with results disastrous to the travelling public and the motorists. It appears that the use has led to far too many breakdowns to be capable of being promptly attended to by the garages and the workshops. The small car-owner, it seems, has been the worst sufferer. The carburetter soon gets spoiled, thick with coatings of crusts formed out of the alcohol with jets choked. Loss of efficiency, starting troubles and jerky acceleration and deceleration are other defects mentioned. So distressing has been the experience of Delhi that the agitation for doing away with the mixture has grown in volume and intensity.

The question however is whether Delhi's travail is due to power alcohol or the wrong use of it. One user of power alcohol for many years, however, is of the view that the fault is not that of the fuel, but of the user of it. Mr. G. S. Gupta of Meerut Cantonment writes in *The Hindustan Times*:

It is admitted that a power alcohol-petrol mixture (in a proportion of 20 to 80) is a superior grade fuel; in England and the rest of Europe its price is higher than petrol or other fuels. Moreover, power alcohol is an anti-knock, anti-calamine, anti-carbon compound; it raises the octane value of petrol, and as a universal solvent is next to water.

"Petrol contains a kind of gum or resinous matter which on storage leaves a deposit on the walls of tanks and containers. When the power alcohol-petrol mixture was used in 1941 in Agra for the first time, it was found that retailers' petrol pumps had one-and-a-half inch thick layer of this resinous matter. As power alcohol dissolved it Agra motorists experienced trouble similar to what Delhi motorists are having now. But when motor pumps, motor petrol feed-tanks and lines were cleaned, this trouble disappeared. Motorists in U.P. realized the advantages of this mixture and have been using it since 1941.

"Another point which motorists should bear in mind is the use of special diaphragms on petrol pumps of cars. These are now easily available. The old diaphragms contained resins which were affected by alcohol thus hindering the efficient performance of petrol pumps. I have been using neat power alcohol in trucks and buses since 1940 and have experienced no trouble. Since 1943 the power alcohol mixture has been used in all types of cars without trouble."

Power alcohol, Mr. Gupta concludes, is a national key industry and it is unfair to decry it without proper reasons. We should educate the people on the merits and properties of blends such as that of power alochol with petrol.

(*Contd. from page* 441)

there would be 200 million working hours added every day to constructive and creative work. Imagination staggers before such tremendous possibilities. He was happy that out of these millions of hours at least a few thousands were being turned to such foundational work as village reconstruction in Muzaffarpur.

The nation's wealth is in the hands of its villagers; work is health, wealth, everything—work of the right sort, work which is all about us, work to engage in which is to satisfy hunger and thirst not only, but also the higher things for which man craves. For, remember that if only we work aright, if we know how to lead a wise life, we need lack none of the absolutely essentials.

Socialists Take Stock

MUCH WOBBLING AND SOME WISDOM

At its conference last week, the Bombay State Socialist Party adopted a 15-point charter of freedom "to build a new society and a new civilisation." In the course of the discussions, there was much wobbling and, on occasions, a modicum of wisdom. The picture that emerged out of the discussions was not that of a vision beautiful, of a healthy society consisting of harmonious members each sustaining and ministering to the needs of the others and all deriving uniform satisfaction in equal measure, but of a narrow congeries of classes and self-seeking groups. As Mr. N. G. Gore, one of the leading lights of the conference confessed, "the demands put forth in the charter were such as could attract all categories of people—workers, peasants and the middle classes."

The Charter of Freedom

The 15 points in the charter speak for themselves. Here they are:

Reduction in the disparity in income with a ceiling on income at Rs. 1,000 and the floor to be steadily raised to Rs. 100 a month; improvement in irrigation, construction of roads, etc., and development of cultivation of land on a co-operative basis; land to the tiller and abolition of all forms of landlordism without compensation, and re-distribution of land to tillers; State control of all industrial units that work below their full production capacity; people's inspectorates and people's tribunes to root out corruption; a fourth of the provincial budget to be spent through village "panchayats" thus giving reality to the concept of a four-pillared State; huge expenditure on education of Harijans, Adivasis and other backward classes; science and engineering to be harnessed to the needs of the small producer; nationalisation of British interests—commercial, industrial and financial—through payment of sterling balances; parity of prices between agricultural produce and industrial goods; trade, internal as well as external, to be organised on a co-operative basis; the organisation of a land army to extend agriculture; preference to be given to Harijans and displaced persons in settlement on land reclaimed; nationalisation of banks and insurance companies and the progressive nationalisation and democratisation of key and other industries; defence and enlargement of "shrinking" civil liberties and stemming the rising tide of unemployment by providing employment to those thrown out of work through public works and the land army.

The above is a veritable hotchpotch of bundles of objectives at which individual Socialists aimed from time to time, hardly a cogent plan for "a new society" or a "new civilisation."

Is Plan Workable?

Enlightened leaders of the Party, however, such as Mr. Ashoka Mehta, who was elected leader for the coming year, and Mr. Jai Prakash Narain, seem to cherish objectives which are sound but inconsistent with the planks in the programme. At a rally of the Socialists earlier, Mr. Ashoka Mehta claimed that the Socialist Party were the lineal descendants and inheritors of the great Indian reformers and thinkers—right from Adi Sankaracharya down to Mahatma Gandhi. There may be elements of Marxism in the thought of these giants, but in any case, it is Marxism with a difference. It is opposed to the gospel of plunder and spoliage, of lazy life and easy ways, of materialistic ambitions and low ideals. Mr. Ashoka Mehta is right in his diagnosis of the present situation and in his view that it is necessary "to dispel the pall of negativism, of frustration and lack of enthusiasm threatening to engulf the Indian masses." But how is this to be achieved? Not by the cheap slogans and flattering unctions embodied in the so-called charter. Only hard work and a disciplined life can bring about our salvation. There is scope for work for ten thousand young and energetic workers in each of the 4,000 talukas or tehsils in India, as Mr. Mehta observed, and, "instead of deriving satisfaction in criticism and cynicism, the Socialist Party would launch a three-pronged programme—embracing combative constructive and parliamentary activities."

Work, Work, Work!

The above are wise words; for the future of the nation depends, not on inter-party quarrels or each section seeking to live on the toil of the others, but on disciplined work in the strong belief that work like virtue is often its own reward. As. Mr. Jai Prakash Narain observed at Muzaffarpur the other day, "the greatest failure of the Congress Government has been its inability to inspire the masses to voluntary effort to create the necessary climate by insisting on equality of sacrifice and equitable sharing of the nation's wealth and to produce a plan for such popular implementation." Work, work, work, and yet hard work—should be the gospel of every lover of the country today.

The greatest disservice which both the Congress and the Socialists have done to the nation is the popularisation of the idea that you have only to break the heads of big business and landowners to get all that you need. We are glad to note that the Socialists at any rate have realised the blunder of this campaign, judging by the latest utterances of their leaders.

"Today," Mr. Narain said, "every national effort is an effort of the State which means in practice the bureaucracy and is carried on a cash payment basis. The result is complete stagnation and sterility. I am therefore happy to find that the workers of the Socialist Party have been able to raise such popular enthusiasm and to turn that enthusiasm to such creative channels."

The slogan "an hour a day for the nation" has great potentialities. If every adult volunteers to give an hour every day to his country

(*Continued on page 440*)

World's Ills: ILO Diagnosis

Next month, the International Labour Conference which meets at Geneva will discuss the economic ills of the world—a discussion in which 60 representatives consisting of Governments, employers and workers will participate. A report prepared by Mr. David A. Morse, the Director-General of the ILO, will form the principal agenda for the discussion.

Mr. Morse's diagnosis of the world's ills is striking as well as illuminating. An impoverished world cannot long sustain oases of contented and prosperous pockets. It is no use condemning poorer countries on the ground that they are not efficient in production. Productive efficiency, Mr. Morse points out, is not something achievable by certain countries only; largely, it is the result of equipment and technique, and if these are more widely and equitably distributed, labour productivity in all countries will increase.

Mr. Morse urges increased production for "the teeming half-starved millions" and warns that "poverty, disease and other miserable conditions could no longer be hidden from view." He argues that rapid improvement of these conditions is essential for the elimination of internal strains, easing of international tension and promotion of world peace. His report has suggested for discussion the questions of migration, foreign investment, vocational guidance, work shifts, trade barriers and health and general education of workers as the main points related to higher earnings and increased productivity of labour.

Current restrictions on the widespread use of technical developments and new machinery and plant capable of great productive achievement promote and sustain an economy of scarcity, while what is required is an economy of plenty.

Mr. Morse suggests that to endeavour to sustain high living standards in countries which at present enjoy a monopoly of high productivity at the expense of under-developed countries must result in discontent and danger to peace.

The I. L. O. Chief points out, Government financing of development schemes affords no way out of the basic dilemma that a large proportion of resources directed to capital formation leave a small proportion of resources to provide for current needs. Many of the world's poorest territories will be condemned to a vicious cycle of lasting poverty unless, he concludes, large amounts of foreign capital can be made available to them. The objective of full employment has been recommended since it would eliminate the waste from involuntary unemployment. It would overcome resistance to technical changes and restrictions on output.

Business as Career for Women

AMERICA'S GREAT EXAMPLE

Programmes to assist the increasing number of American women who are interested in starting or developing their own businesses are spreading to many parts of the United States. These programmes make available without charge personal consultation, guidance, and publications designed to help women conduct businesses ranging from household handicrafts to large industrial enterprises. Already there are 1,500,000 American women who run their own businesses or who are self-employed in professions or trades.

The women's guidance projects were started in New York State in 1945 when Governor Thomas E. Dewey established the New York Women's Council, a volunteer group composed of 34 prominent women in business, industry, labour, education, and women's organizations. These women advise the Women's Division of the New York Department of Commerce in the operation of a programme designed to extend economic opportunities for women by encouraging their creative or commercial talents.

Career Clinics

Under the New York programme, career clinics are conducted in communities at the request of local women's groups. Each clinic offers a one-day programme of speeches and demonstrations providing practical, step-by-step advice on how to start a business.

At the clinics, kits are distributed. They contain information on such subjects as the marketing of home products, needle work, packaging, food selling, and the organization of craft groups. One pamphlet entitled "102 Ideas for a Business of Her Own" was requested by about 13,000 women within three months after its publication.

"More than 100,000 women have attended the clinics and thousands more have been helped through letters or personal interviews," reports Miss Jane H. Todd, deputy commissioner of the Department of Commerce, who directs the New York programme. "During the course of this programme hundreds of women have started in businesses ranging from hand-made products in the home to the million-dollar factory."

An average of 250 personal interviews a month were conducted by skilled counsellors of the Women's Division during 1949. They give expert advice based on extensive research into the fields of manufacturing, advertising, and marketing.

Interest in New York's programme has resulted in inquiries from all the other States of the United States as well as from India, Germany, England, France, British West Indies, Israel, Finland, Ireland, Japan, Australia, South Africa, Canada, Mexico, Puerto Rico, Newfoundland, Norway, Brazil, Scotland, Argentina, Venezuela, China, and Turkey

Dalmia and Donations

Seth Ramakrishna Dalmia seems to have turned the cynic contemptible as well as the cynic supreme. According to him, every morsel of rice given to the starving beggar and every piece of copper thrown out to the outstretched hand are purposive acts of the giver, something, say, like a bait expected to return to him in a rich haul. Every man has his price, too; for, whoso, asks he in substance, expects to get anything unless he is in a power to do and hopes to do something in return? Business men made donations to the Gandhi Fund because, he says, they knew that it had been turned over to their friend, the Sardar, and that they could have their money returned tenfold or a hundredfold in the shape of shady support or subsidy and, what would be more welcome, secret safe conducts.

Now, there is a certain sense in which all this may have meaning. The pious Hindu may be said to make his charitable dispositions with a view to obtaining favours in the other world, if not in the present one. *Sastraic* texts may be quoted by the devil in support. But it would be ridiculous seriously to interpret Hindu sayings and stories to that effect in utter disregard of the supreme saying: *Karmanyevadhikarasthe maa phaleshu kadachana*! It would be foolish to claim for the builders of the Fund that there was absolutely no pressure of any sort. In such endeavours, pressures of various kinds do find a place, some consciously and some involuntarily. The landlord puts pressure on the tenants, the industrial boss on his workers and office establishments, the Governmental authority on those amenable to their influence. Such pressures may sometimes even border on the unconscionable. But it is monstrous to suggest that the Congress Government virtually sold Indulgences to offenders against business and taxation laws, to tax-evaders and black-marketeers.

Seth Ramakrishna Dalmia, in utter disregard of the repudiation of his family members such as Mr. S. P. Jain, who was honourably associated with the Fund and methods of collections and is, therefore, in a position to speak with authority, persists in his asseveration that business men donors were victims of coercion, and, what is worse, were men who purchased pardons corrupting those in authority, offering them illegal gratification and making them act in a manner inconsistent with their positions of public trust. Some corner in his mental make-up, impervious to honourable modes of thinking, may deem them guilty of such offence; they, however, are not bound, and could not be held bound, by the vapourings of this disgruntled quondom colleague of theirs. Seth Dalmia has a right to speak for himself; and we willingly agree that he should be judged by his own principles—that all his heated plea for the refugees is explained by his heavy investments and vested interests in Pakistan and among the refugees and that his bitterness is a measure of his failure to secure the expected favours and pardons for himself!

Whatever sophists and casuits may say, action such as his will be deemed, in the circumstances of the case and in the light of his own principles, an ugly attempt at levying political blackmail.

Sydney: Significant Pointers

The controversy at the Commonwealth Conference at Sydney over the methods of purveying aid to the countries of South-east Asia has resulted in a compromise. One section of the delegations held that what was needed was immediate help, the creation of a fund contributed by the participants from out of which grants may be made to the needy members. The other was of the view that few of the participants had the resources to contribute to a fund and that, even if they had, the countries which could be expected to make use of them properly were non-existent. Eventually it was agreed to build up an £8m. fund to provide training facilities to the members who required them for their youths.

The fact is that different delegations approached the problems from different angles. Australia, New Zealand, Britain and certain other countries looked at the function of the Conference as one of combating Communism. On the other hand, India notably felt that it should have nothing with politics as such and that it should confine itself to helping the countries of this region to rehabilitate and improve their economy. If these countries continued to be poor and depressed, they will prove a source of discontent and will contribute to the depression of the world and therefore to the world's economic distress. Hence it was enlightened self-interest for their neighbours to go to their help without expecting any political subservience.

Now this sort of economic rehabilitation is mainly a long-range problem. It means close contact with each other, the continuous study of each other's needs and ability to meet such needs, the building up of closer trade contacts and economic and financial relations. Nothing could be done to promote such relations unless they have established a modicum of political stability by their own efforts and in their own interest. The argument that unless they were aided or rather bribed, to be plain, they might turn Communist, does not appeal to us. A mercenary neighbour is of little value.

The lessons of Sydney are largely negative. One is that it is no use depending much on outside help. The second is that we should develop our economy largely by ourselves and as a result of increased production brought about by increasing national discipline and austerity,

Insurance Stimulates Trade

By Naresh Chandra Gupta, M.A., B.Com.

Insurance is a vital science and plays a great part in the national economic system. By prevention and necessary reduction of waste it stabilises the whole economic system.

Insurance with its different branches helps trade. Commercial transactions involve many risks which are of diverse nature. Insurance guards and protects the trading community against those risks. It is one kind of trade which helps others to trade freely and with the least possible risks.

Hazard or risk of loss prevails in most transactions. By Insurance, risk of loss of a few is shared by many. The insured pay the consideration for the service which is rendered by the insurers in the form of Premiums. The origin of the present-day Insurance may be traced to the efforts of business men towards elimination of trade risks.

Beginnings of Insurance

In the early fourteenth century, marine insurance in Northern Italy was in the form of a contract by which a certain sum of money was lent to the business man. He who had suffered loss in the sea needed not to repay the loan. If the ship arrived at its destination safely, a sum more than the amount advanced was to be repaid to the lending merchants. The difference of amounts advanced and repaid was in the nature of Premiums, as it is today.

Insurance of those days helped the business magnates so that they could carry on smoothly. The solvent merchants might have avoided the benefits offered, but the younger sorts were eager to avoid the risks of loss by means of contracts as aforesaid. Truly it is said that the transaction in foreign trade requires four things to be a perfect one : (a) Invoice of Sale (b) Bill of Lading (c) Bill of Exchange and (d) the Marine Insurance Policy. Without a marine policy the heavy losses of the cargoes, the hull, etc. cannot easily be faced by the business community.

The early fire offices, whether proprietory or mutual in character, used to underwrite fire risks, the necessity of which in trade affairs is worthy of mention. Loss by fire affects the continuity of business and it dislocates production and hampers the earning of profits. Now-a-days, factories, workshops and buildings can easily be insured against fire. The industrial revolution in England in the eighteenth and early nineteenth centuries brought many changes in fire insurance technique. The modern profits policy awards the benefit of continuity of profit during the suspension of business when the factory goes on fire. Thus business men can insure against unforeseen difficulties which hamper trade.

Varied Services

The modern house purchase scheme of life insurance is sure to bring good results and definite stimulus is likely to be given to the business community. Term assurance and decreasing term assurance, credit insurance and bad debt insurance give impetus to the traders. By an insurance on the life of the debtor, the creditor is assured to have the loan back if the debtor faces premature or accidental death and, as such, he need not hang on the balance whether his loan will be repaid or not in the future. It surely helps trade and makes the credit system smooth and easy to function. We aspire that the Government of India will introduce the 'Export Guarantee Scheme' on the lines enunciated by the Board of Trade in Britain and fill the gap which exists at the present time.

In the accident branch of General Insurance, different types of policies are issued which stimulate trade. The following types of Insurances are worthy of mention :

(1) Fidelity Guarantee (2) Plate-Glass (3) Engineering (4) Workmens' compensation (5) Burglary (6) Motor and (7) Public Liability.

Songsters can now insure their throats against any risk of mishappenings. The dancing girls can insure their legs and have the indemnity when they cannot dance any longer. The doctor can insure against any eventuality in his profession.

Value of Life Insurance

Thus, every type of Insurance helps continuity of trade, directly or indirectly. Fire, marine and accident Insurances are taken for protection against losses of the objects insured, whereas Life Insurance is issued both for protection and investment purposes. Life Insurance has been recommended by many as a safe mode of investment. Life Insurance companies accumulate large amounts as Life Funds, sometimes even several crores of rupees, which are again invested for earning interest. There are several ways to invest these Funds such as investment in Government Securities, Loan under policies, investment in Municipal and Port Trust securities, investment in shares of Joint Stock companies, land and house properties, and as such, we can easily perceive that Industry and Trade of the country are largely financed by Insurance companies.

Pre-insurance also stimulates insurance business. Had there been no re-insurance, the Insurance business could not have developed in such a scale as it is to day. Reinsurance helps insurance in various ways. The risk of loss of a property of substantial value can now be insured with several underwriters.

The enlightened are free from doubt, the virtuous from anxiety and the brave from fear.—(Confucianism).

* * *

Keep one consistent plan from end to end.—Horace.

Regulated Markets for Copra

By M. Lloyd Carlton, B.A.,
Manager, Malabar Chamber of Commerce.

Although the present distributing system is far from perfect and admits of several malpractices in trade, regulated market for copra is not an effective solution to the problem. Regulated market will upset the present cocoanut economy.

There are structural defects in formation and composition of the Regulated Market and its Committees. These defects and flaws will upset the very objective and purpose for which Regulated Markets are being formed.

If regulated market economy is enforced it will lead to the regimentation of trade at the very outset. If it succeeds by the adoption of co-operative ideology, the chances are that it will develop into a monopolistic agency having official and Government patronage and in the final analysis drive out free trade and competition which assure to the consumer efficiency of service, cheapness of price and good quality of the commodity.

The Indian Central Coconut Committee in April 1947 recommended to the Provincial and State Governments concerned the establishment of regulated markets for copra. At its meeting held in October 1948, Mr. M. I. Patil, Assistant Marketing Officer, Bombay Province, was appointed to draw up schemes for organising regulated markets for copra in Cochin, Travancore and Madras.

In recent years, regulated markets for agricultural commodities have been in existence in the Bombay Presidency, the Central Provinces, Madras and Hyderabad. In the Bombay Presidency, a regulated market for cotton has been functioning under the Bombay Cotton Marketing Act. In C.P. and Berar, cotton and grain markets are administered under the Berar Cotton and Grain Markets Law and the C.P. Agricultural Produce Markets Act. Similarly regulated markets have been established in the Madras Province under the Madras Commercial Crops Act, and regulated markets have been established in Coimbatore, South Arcot and Guntur Districts for cotton, groundnut and tobacco, respectively.

The schemes put up by Mr. Patil, as was anticipated, were duly approved by the I.C.C. Committee. Coconut and Arecanut were brought under the Madras Commercial Crops Marketing Act, 1933, and in due course, Cochin and Travancore were brought under the regulated marketing system. Under G.O. Ms. 857 of 6-5-1950 a regulated Market Committee has been duly appointed by the Government of Madras.

Present Set-up

The Madras Commercial Crop marketing Act, 1933 provides for the setting up of a Market Committee which will exercise control over the regulated market. Representation is provided to growers, traders, officials, local authorities and other interests concerned. The Committee is authorised to issue licences to brokers and weighmen by charging a licence fee and to cause weights and measures to be inspected through duly empowered members and inspectors. The Act also provides for market charges or market cess on commodity arrivals or sales, licence fees for traders, commission agents, weighmen, graders and such other functionaries. It also provides for the use of standard scales and weights and the keeping of returns or accounts by merchants, millers and others who make purchases.

Areas of varying size are declared as notified areas under the Act, and in so far as Malabar is concerned, such notified areas will be Calicut, Badagara and Ponnani. In each of the above centres, a market yard under the direct control of a market committee is provided where the main transaction may take place. Transaction may take place in any other spot in the notified area provided information regarding the quantity and price of the commodity changing hands is communicated to the market committee, who will send round their inspectors to arrange and verify the information and check up the transactions. In no other part of a notified area are sale and purchases permitted. The market and yards are under the immediate charge of a superintendent, while the administration of the Market Committee is entrusted to a Secretary. The Committee discharges its functions through sub-committees such as Dispute Sub-Committee, Control Sub-Committee, etc.

According to the Indian Central Cocoanut Committee, "the transactions in a regulated market are open and above board ; there is no scope for duplicity ; there is scope for open and healthy competition among buyers and the prices ruling at any time are announced and, therefore, known to the sellers. The dissemination of market intelligence in regard to prices, supplies, sales, stocks, etc. is rendered easy."

Trade Not Consulted

The establishment of a regulated market for copra was decided by the Indian Central Cocoanut Committee, on which virtually there is no representative of the copra trade or the exporter and shipper of the commodity. In the ordinary course, a regulated marketing economy, whatever its advantages, must directly affect the present cocoanut and copra economy of India, built up by the sweat and toil of the indigenous traders, commission agents, exporters and shippers, and the most proper thing to do before effecting a change was to consult these important sections and obtain their views through their accredited trade bodies. Not only was such a course not taken, but these sections were virtually shut out from any voice in it. Even the report of the Special Officer for investigating into the possibilities of establishing regulated markets was refused by the Committee to trade interests when they asked for it. Thus the Committee took the second preggnant step of adopting Mr. Patil's report without consulting the trade interests.

A regulated market, by the very nature of its title and by the objects set forth, implies the regimentation of trade by a system of rules and procedures and the elimination of a number of present functionaries in the trade and is, therefore, inconsistent with an economy of free trade. It seeks to introduce official control in the copra trade with all the attendant evils of red tapism and official functionaries, licence inspectors, inspectors for checking accounts, inspectors to collect cess, etc. It will bring with it a plethora of rules for collection of cess, marketing fees, auction bids, keeping of accounts and submission of returns to add to the headaches of business men who are already regimented by incometax, sales tax and other tax procedures and rules. It will add to the growing frustration of produce merchants.

The report of the special officer asserts that regulated markets have succeeded in the case of other agricultural commodities, but it must be noted that such reports of success of regulated markets come from official sources only, and so far there has been no enquiry by independent commissions on the working of regulated markets in agricultural economy. Official sources must invariably boost their own operations. This aspect, therefore, calls for the special attention of the Central Planning Commission of the Government of India, whose investigation has just commenced.

The oil-seeds trade of India in general and the coconut and copra trade in particular have all these years developed indiscriminately, through the agency mostly of people who were not highly educated and literate. In the absence of any agency to guide it on proper lines, the trade has not been able to enforce any moral code to direct the many facets of its trading. There can be no doubt, therefore, that certain malpractices have entered the copra trade along with its growth.

Causes of Malpractices

The several malpractices arise from the following among other causes:

1. The thoughtless policy of the Government which has shown no interest whatsoever in guiding the trade and checking the several malpractices.

2. The inherent defects in our rural economy due to lack of rural banking facilities for producers of agricultural commodities; lack of storage facilities in producing centres and assembling centres where producers can store their goods; lack of proper communication from areas of production to assembling markets; lack of cheap transport; absence of an organisation to educate the producer on improved methods of production and the processing of copra according to the requirements of the consuming markets.

3. Inherent defects in the distributing economy due to the toleration by Government of a plethora of systems of weights and measures and the delay in standardising our weights and measures and the absence of enforcement of a proper Indian Standard Weights and Measurements Act.

4. The absence of grade specifications for the different varieties of copra and the adoption of a standard Contract Form for copra and oil. But for these things, the producer should have been in a stronger bargaining position with buyers and command a price for his produce on parity with prices prevailing in the key markets. The trader, the exporter and the foreign buyer have been clamouring for the fixation of standard grades and specifications. Adoption of proper standard terms and contract forms could eliminate the arbitration and contractual complications daily arising in our markets.

5. The absence of warehouses in the assembling markets, which a Government solicitous of its trade in produce ought to have established long ago. It is well known that Government is blindly tolerating the various flaws and defects in the Warehouse Act, which has made it practically inoperative.

6. The absence of an official agency for sampling and underwriting as adopted by the Oilseeds Association of the United Kingdom.

7. The forced toleration by produce merchants at Assembling Centres of an established trade of intermediaries who alone have learnt the practice of processing copra, and on whom, in the absence of any other agency, the former have entirely to depend.

8. The absence of a non-trading official agency for collecting and publicising statistics of produce, operation of assembling and terminal markets and commodity prices. If these existed there could not be any chance for the unscrupulous trader to dupe the producer or the buyer or the foreign importer.

Defects of Regulated Markets

The Indian Central Cocoanut Committee is no doubt aware of all the defects in our present economy and the existing malpractices. The establishment of a regulated market for copra is their solution to the problem. But the submission of the trade is that a regulated market will upset the whole cocoanut economy of India and will frustrate the general economy as well. The trader, the shipper and the exporter say, 'By all means, remove or check the malpractices, but for goodness sake, do not upset the present economy at this critical juncture." Their arguments deserve the consideration of all thoughtful planners. Here are some of the submissions.

It should be noted that by its structure and composition, the Market Committee is made up of various interests, who are given

nomination on the Committee. These members will be usually big, busy and influential people. Their work on the Committee will be merely nominal. In practice, most of them will never have time or inclination to regularly attend the meetings and study and give thought to various practical problems and attend to the work the Committee has to do. Under these circumstances, the presiding deity, namely, the Secretary, becomes not only the guiding and potent force for good, but more often becomes prone to all the inherent evils of his situation—corruption, nepotism, official despotism and, in the end, the markets degenerate due to either official red tapism or party feuds among members of the Committee. In a free and competitive business, sales figures are generally directed by dint of service, cheapness and quailty and hardly ever by duplicity and things like that. It is stupid to imagine that a regular buyer of any commodity goes to buy with his eyes and closed to such factors as ruling prices, market tendencies, stock position, etc. Thus regulated markets succeed most in driving away efficiency and sacrificing price and quality at the expense of consumers.

The argument put forward in support of a regulated market is that the present system has given room to a number of intermediaries who appropriate a large margin of profit which otherwise ought to go to the 'poor' producer. This argument is merely sentimental and ideological. The mere establishment of a Regulated Market Committee and regulated market cannot possibly do away with these intermediaries unless and until the inherent defects in our rural cocoanut economy are removed and the practices in our assembling and distributing system reformed. This should not mean that the intermediaries should be done away peremptorily. It means in practice several things, namely: adoption of standard terms and Contract forms, grading of copra, organisation to enforce and analyse grading, standardisation of weights and measures and machinery for its enforcement; amendment of the Warehouse Act to make it practical and operative; organisation for sampling, underwriting, arbitration, maintenance of statistics, commodity prices, etc.

The selling of commodities like cocoanut and copra involves specialised knowledge of preparing and processing copra according to the requirements of the consuming markets. Mr. Patil has confessed openly that the grower is not in a position to do this part of the job. He admits that there are obvious difficulties for the growers to prepare and sell corpa, such as the lack of facilities of a drying yard, drying kilns, etc., leave alone the question of finance and knowledge of marketing conditions and requirements. In the face of these admissions of the growers' inability to handle the job now done by intermediaries, the problem is what effective machinery or organisation is to be set up to replace the present trade organisation.

Co-operative Ideology

A Regulated market in the final analysis of the Indian Central Coconut Committee presumes the establishment of a credit sale society in each village where the produce of the growers will be bought by the societies and converted into copra. Secondly it hopes to organise a co-operative transport system where the market is not near to the centres of production. Thirdly, regulated economy calls for warehouses under the control of the Committee. In other words, regulated economy goes back to co-operative societies for sale, for conversion of copra, for transport, etc.

The working of co-operative socieities generally has proved the futility of seeking to improve matters by taking the management of trade from the regular trade channels. The suspicion of the trade is that if the co-operative ideology is tolerated, it should not be allowed to develop into a monopolistic agency both in rural and urban economy so as finally to oust regular trade channels by means of official and Government patronage and at the expense of the consumer. In recent years, the patronage given to co-operative societies has created monopolistic tendencies and has openly killed free trade and competition which assure to the public and the consumer not only an efficient organisation but cheapness and better quality and service than what the co-operative organisations have been able to secure. We have an eye-opener in the case of coffee where regulated economy has reacted disastrously against the interests of the consumer. It has indicated that where distribution of a commodity is placed in the hands of a market committee, such committees generally become the pawn of the organised producers to the detriment of the consumer, or, in the alternative, the Committees are invariably influenced by a few monopolist traders to the detriment of both the cultivator and the consumer.

The main flaw in the structure of the Regulated Market is the fact that such Market Committees have a limited scope for regulation; it does not go beyond the notified area over which the Committee has control. In other words, it is not able to regulate the distribution from the stage of production to the final stage of reaching the terminal markets. At best, its control is only within the notified area over which it has control and, therefore, it gives rise to much abuse in the area adjoining the notified areas. Thus the real object of the regulated market is usually frustrated.

Film Facts

From the actual collections of the Entertainment Tax so far revealed, it appears that the income of the industry, during the official year 1949-50, exclusive of the Entertainments Tax, was Rs. 17½ crores, in round figures. Of this sum, approximately Rs. 3,40 lakhs was collected in respect of foreign films and Rs. 10 lakhs was paid as rentals for the Government's documentaries and newsreels. Of the Rs. 340 lakhs, exhibitors of foreign films retained in this country some Rs. 136 lakhs, the distributors spent Rs. 51 lakhs on the maintenance of their distribution services and remitted to their foreign principals, subject to exigencies of foreign exchange and taxation, something in the neighbourhood of Rs. 123 lakhs. The Rs. 3½ crores thus covered cannot properly be said to belong to the Indian film industry in so far that it does not affect the prospects of film production, writes Mr. Ram Gogtay in *Free Press Journal*.

Of the Rs. 14 crores left, exhibitors of Indian films retained about Rs. 560 lakhs. Of the remaining Rs. 840 lakhs, distributors of Indian films cornered some Rs. 168 lakhs, leaving Rs. 672 lakhs for the producers. As producers have to pay out of this sum direct taxes at about 20 per cent. the net left to the producers is Rs. 538 lakhs. Supposing the producer is entitled to a profit of 10 per cent, since he can legally pay an interest of 9 per cent. on his loans, the amount left for expenditure on the pictures of the year dwindles down to Rs. 476 lakhs only.

Average Cost

In the three years 1947 to 1949, 836 or an average of 275 pictures per year were produced. Each of these 275 pictures should have therefore secured a net return of only about Rs. 1,73,000 in round figures.

That is admittedly far less than the actual cost of production. A picture of average good quality costs in the present set-up of the industry, no less than Rs. 4 lakhs. As every producer is imbued with the ambition to deliver a picture of good quality, it follows that within the returns available, no more than 119 pictures could be produced per year.

But the needs of the cinemas from a total of some 3,000 that show Indian films cannot be met except by some 200 pictures. There is no meaning in producing more when the additional number cannot be quickly released and the returns are limited.

The 200 pictures could afford an average outlay of Rs. 2,38,000 each, which is the figure within which every picture ought to be planned so long as the income of the industry is not expected to increase and relief in other ways is not likely.

Madras Govt. Gets A Crore

The total revenue realized by the Madras State during the year 1948-49 by way of Entertainments Tax was Rs. 1,01,34,064. This collection is an improvement on the revenue position when compared with the previous year's figure.

This increase is attributed to a number of stray entertainments, exhibition of popular films in the cinema theatres and to the increase in the rates of tax from January 1948.

The total number of entertainments held during the year was 4,89,546. Ninety per cent. of the gross produce of the Entertainments Tax was paid to the local bodies within whose jurisdiction the entertainments took place. The working of the Entertainments Tax Act was smooth and no legal or administrative difficulty was experienced.

American Drug Stores

LESSONS FOR INDIAN BUSINESS MEN

There are 55,000 drug stores in the United States, so conveniently located in large cities and most small towns that it has been said without much exaggeration: "There's a drugstore on every street corner in America". How these drugstores are managed and run is described below.

The Central Drugs Institute, which will be opened at Lucknow in November, will be the fifth out of the 11 National Institutes of Sciences for which the Government laid foundations within the first twelve months of independence. It will be the country's leading pharmaceutical research centre and will be organized by the leading British pharmacologist, Sir Edward Mellanby, Director of the National Institute for Medical Research in London. The Government of India is understood to have finalized a contract with Sir Edward for the first six formative months of the Institute after it is opened.

The opening of the Institute will undoubtedly give a great fillip to our drug industry. There is alarming shortfall in drugs and medicines at present, and indigenous production has not been able to cope up with the demands of our vast country. (See BUSINESS WEEK, Vol. III, No. 21.) Even in the matter of the development of our drugstore business, we are far behind other advanced countries of the West.

How Americans Do It

The Americans have developed their and allied drugstore businesses to a remarkable extent. Many large drugstores carry as many as 50,000 items—ranging from luggage to electric light bulbs—and manage to keep most of them visible from any point in the store.

Approximately 90 per cent, or 48,997, of the drugstores in the United States are independently owned and operated by private citizens. The owners are usually themselves registered pharmacists. The remaining 10 per cent. are drugstores owned by large drug companies, many of which manufacture their own brands of medical compounds that they sell, along with non-medical items, under their trade names.

To operate the modern drugstore in America, both the drug chains and independent pharmacists have adopted the techniques of many other business and professions. They have been careful to maintain strict standards for the prescription counter, operating it on a highly professional level. Every drugstore must have at least one registered pharmacist on duty whenever the store is open. His knowledge and training must be sufficient to meet the requirements of a state board of pharmaceutical examiners. At the same time, many drugstores employ the techniques used by buyers, salesmen, stock-keepers and advertising experts.

In the United States, the drugstore is probably regarded with as much affection by young Americans as any other commercial institution in the country. Particularly when it is located near an elementary or secondary school or college, it combines many features of a social club with those of an apothecary and emergency shoping centre.

A woman who needs stockings in a hurry will buy them at the drugstore, though her regular source of stockings may be a large department store where she has a much wider variety to choose from. A man who may need some handkerchiefs quickly will pick them up at the drugstore, though his usual source of supply is his haberdashery. A woman in business, who has spent most of her lunch hour shopping, will get a sandwich and glass of milk at the corner drugstore, though her customary eating place is a restaurant. It is the same with thousands of other every-day items which people would normally buy elsewhere, but frequently get at a drugstore as a matter of convenience.

The soda fountain, which accounts for from 25 to 30 per cent. of the total business in some drugstores, is generally located in the front of the store. It usually consists only of a long counter, with a row of stools for the customers to sit on. Many drugstores, however, provide additional rows of booths with tables and benches. These appeal especially to young people. In small towns, boys and girls invariably make the local drugstore a central meeting place and tolerant proprietors allow them to linger and talk for hours without buying more than a soft drink (5 cents), or an ice-cream soda (15 cents).

On one side of the drugstore entrance, and generally opposite the soda fountain, is the tobacco counter at which cigars, cigarettes, tobacco, lighters and dozens of other smoker's items are sold.

Near the front of the store one usually finds racks displaying current magazines and the popular 25-cent paper-bound "pocket books".

How Arranged

Open shelves, running from floor to ceiling and extending to the rear of the store, contain thousands of pre-packaged medicines and such other items as tonics, hair oils, shampoos, tooth pastes, razor blades, and soap. In the centre of the store are the counters, "islands" and "gondolas" (open display cases in varying sizes and designs). These contain merchandize ranging from candies, perfumes, and inexpensive fountain pens to small household appliances, depending on the size and character of the drugstore. Some drugstores offer such unrelated items as sporting goods equipment, men's ties, umbrellas, alarm clocks, and even rubber swimming rafts. Many of the larger drug stores have whole sections specializing in men's toiletries, toys for children, or cosmetics for women. Nearly always in the rear of the store, facing the door, is the prescription department.

Business Brevities

Vegetable Drugs Industry

The scandal concerning the distribution of penicillin and the decision of the Bombay Government to import the drug on their own behalf should open the eyes of the public to the undeveloped state of our own indigenous drug industry. There is enormous scope and good prospect at present for tapping the known, doubtfully known, and unknown vegetable drugs for the betterment of the deteriorating national health. A recent examination of the list of medicinal plants now in demand by the chemists and pharmaceutists shows that 48 per cent. of the plants for the pharmacological trade can be grown in suitable areas of the Darjeeling District alone, and 20 per cent. in the plains of Bengal. Sufficient land for large-scale cultivation of these medicinal plants is already available in the Cinchona areas of the Darjeeling District. The technical personnel who have already made experiments are at hand, and the manufacturers and the market are available nearby at Calcutta.

Some of the recent experiments in the indigenous manufacture of vegetable drugs have met with remarkable success. The discovery of Polyporin isolated from *Polystictus Sanguinium*, a hard fungi, as a potent medicine for curing typhoid, wounds and sores by Dr. S. R. Bose, has attracted the attention of the medical world. There are also a large number of other fungi yet untouched which need careful study. It is perhaps possible for us to manufacture many of the imported vegetable drugs which are in great demand.

There are about 15,000 species of Indian flowering plants known to science. Of these at least more than 2,000 species are considered to have medicinal properties, though only a few well tried species are now commercially exploited. Our knowledge of the rest of the species is next to nothing, and here lies enormous scope for exploration.

While Western nations are forging ahead with organised institutions for the exploitation of vegetable raw materials we have yet to make a beginning in this country. Our resources are inestimable and await exploitation by the pioneers. What is needed is a laison between Government, researchers and industrialists.

* * *

Exports to Australia

Exporters from India, Pakistan, Burma and Ceylon can now regard the Australian market as very largely opened to them with the exemption from the application of Import Licencing Regulations of a wide range of goods. There has been a marked freeing of trade which will simplify negotiations between Australian importers and the exporters of the Indian Ocean Zone. Such exporters can send their goods to Australia without there being any necessity for the Australian importer to obtain an import licence.

A large number of items has thus been freed from Licensing regulations These are the main ones of interest to the Indian Ocean Zone: Cotton textiles, cotton yarn, goundnuts, castor seed and castor oil, raw cotton waste, coir mats and matting, hides and skins, coir fibre, kapok, gums and resins, tanning substances, ores and concentrates, mica, shellac, pepper, roofing tiles and spices.

Some items continue to be covered by the Australian Customs (Import Licencing) Regulations. Main ones of interest are: raw jute and jute manufactures, tea, linseed, cigarettes and tobacco. Over a wide range of products, there is nothing to impede trading between the Indian Ocean Zone and the Australian market.

Naturally the price factor will play an important part, and it will be necessary for exporters from this region to compete with other countries, not only on the basis of quality, reliability of delivery and efficient packing, but also on the basis of price.

Better Jobs for Young Workers

IMPROVED METHODS OF RECRUITMENT AND TRAINING

There are now more jobs vacant in Britain than there are unemployed workers to fill them. This shortage of labour-skill is particularly noticeable among young persons for two main reasons. The low birth-rate in the 1930's means there are now about 200,000 fewer boys and girls reaching the age of 18 every year than there were before World War II. Another cause of the shortage is that many young men are now called upon for 18 months' service with the Defence Forces. It is, therefore, necessary in the interests of young persons themselves and of the whole community that the most strenuous effort should be made to ensure the best use of their labour by improved methods of recruitment and training.

It has, of course, been traditional for craftsmen to teach apprentices and it has been possible to reduce the period of learning by better technical and educational facilities. Before the war, however, there was little training, except in craft industries.

Government Training

Government training, which before the war was regarded merely as a palliative for unemployment, is now recognised as a means to redeploy labour. The Ministry is now empowered to arrange training for anyone and meet the cost of training away from home of boys and girls with special aptitudes who cannot be appropriately trained or apprenticed to an industry for which they are suited in their home district.

Government supervision over the employment of juveniles is exercised by the Ministries of Labour and Education—general oversight being vested in the Central Youth Employment Executive, established in 1948. No central authority, however, can do more than lay down general principles and set the pattern; the job on the spot must be done by local people and for this purpose Britain is covered by a network of Youth Employment Committees. These Committees are composed of representatives of local education authorities, teachers and welfare workers together with trade union and employers' representatives in equal numbers. The problem they have to solve is not one of simple distribution of young workers between jobs but of matching the job and the worker and avoiding misfits.

How do they operate? Each Committee obtains the fullest possible information about employment in its district, and records are maintained of pay, working conditions, training and recreation arrangements and promotion prospects in each firm. Each Committee is also kept informed by firms of vacancies and by education authorities about the number of juveniles entering the labour market each quarter and is given individual school records to assist in vocational guidance. Before the Committees were formed the advisory body set up to examine the whole question recommended that juveniles should be obliged to attend for interviews but the Government rejected this advice and instead put responsibility on each Committee to make the Youth Employment Service attractive and to spare no effort to get parents to see its advantages.

Specialist Advice

The Committee send their officers to give general talks to young people before they leave school, and these talks are followed in an increasing proportion of cases by interviews and placing in suitable occupations. Committees do not, of course, consider suitable all vacancies notified to them and they have urged industrialists to review occupations in which young people were previously employed and by reorganisation to reduce their number.

It is not enough, however, merely to put a young person into a job and then forget about him. There must be a follow-up to ensure that the placing has been justified. This is being achieved in various ways, one of which is the system of "open evenings" when young persons are invited to meet members of the Youth Employment Committee to discuss their progress and any difficulties they may have encountered. Sometimes these interviews show the need for replacing or for specialist advice from the Ministry's officers dealing with nursing, the professions or technical and scientific appointments.

There is a growing recognition among industrialists that they must make entry to their industries more attractive by proper training schemes. In some 50 sections of industry, national training bodies have been established between employers and unions which have now decided the principles upon which recruitment and training of new entrants should be based.

Even in industries where no national agreements have yet been concluded, progress has been made locally by apprenticeship committees working in conjunction with the Youth Employment Service. Small firms are at a disadvantage in providing training schemes, but a solution to this is being found, principally in textiles, by co-operative arrangements between firms and joint approaches to education authorities. In this way, on the initiative of firms or of technical institutes or of Youth Committees, fully balanced theoretical and practical training has been provided.

The "Ladder Plan"

One of the most recent and significant of these national schemes has been the "ladder plan" of the National Coal Board. Under this plan one-fifth of young entrants will benefit by means of special courses to fit them to become certificated tradesmen or under-officials and the more worthy to prepare for the higher qualifications of surveyor and manager.

(*Exclusive to "Business Week"*)

BOOKS FOR BUSINESS MEN

REPORT OF CONGRESS AGRARIAN REFORMS COMMITTEE. Published by the All India Congress Committee, New Delhi. Rs. 5/-. Pp. 247.

Dr. Rajendra Prasad, who was the Congress President in 1947, appointed an Agrarian Reforms Committee, with Dr. J. C. Kumarappa as chairman to examine and make recommendations about agrarian reforms arising out of the abolition of zamindari system and to suggest methods for improving the conditions of agricultural rural population. The inaugural meeting was held on 23rd February, 1948. The Committee then sent a questionnaire and toured the different provinces. A complete verbatim record of the evidence of the witnesses examined was maintained. These records were largely drawn upon in drafting the main report which was finally adopted in July last. In all, the Committee held 5 meetings and 41 sittings.

The Report is divided into 11 Chapters. The first four Chapters deal with the main problems of rights in land, the future pattern of agrarian economy and the place of co-operative farming therein, and the question of machinery of land management. Other chapters deal with problems of agricultural indebtedness, rural finance and marketing, agricultural labour, stabilisation of agricultural prices, agricultural improvements, agro-industries, rural welfare and agricultural statistics.

The Report deals with multifarious phases of our agriculture and allied interests, and it is undoubted that the mass of information collected and co-ordinated will be of considerable use for detailed studies of problems in tenure, tenancy and agricultural conditions of the country.

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25	,,	13 2 0	13 14 0	17 7 0	19 11 0
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75	,,	19 14 0	20 10 0	26 7 0	...
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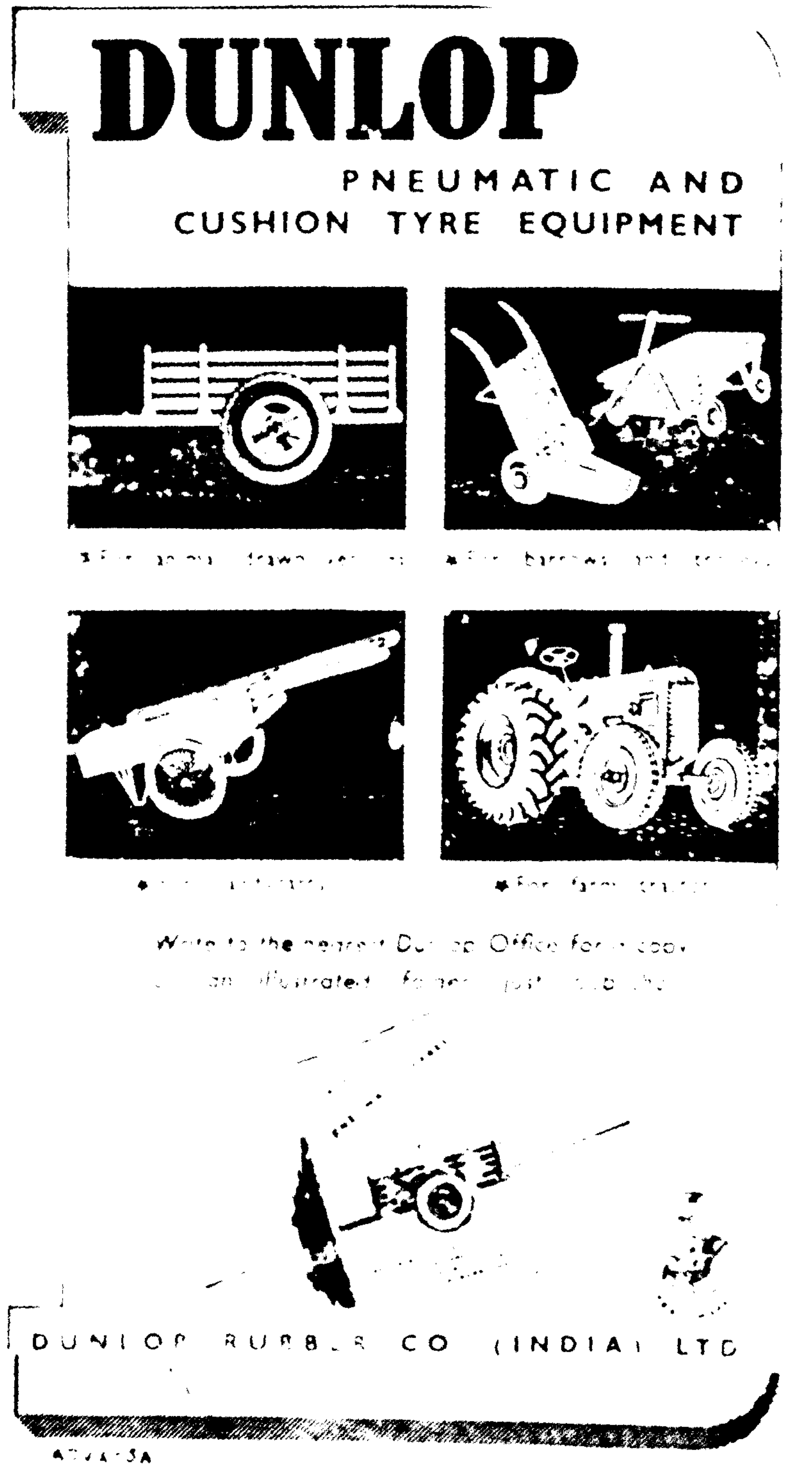
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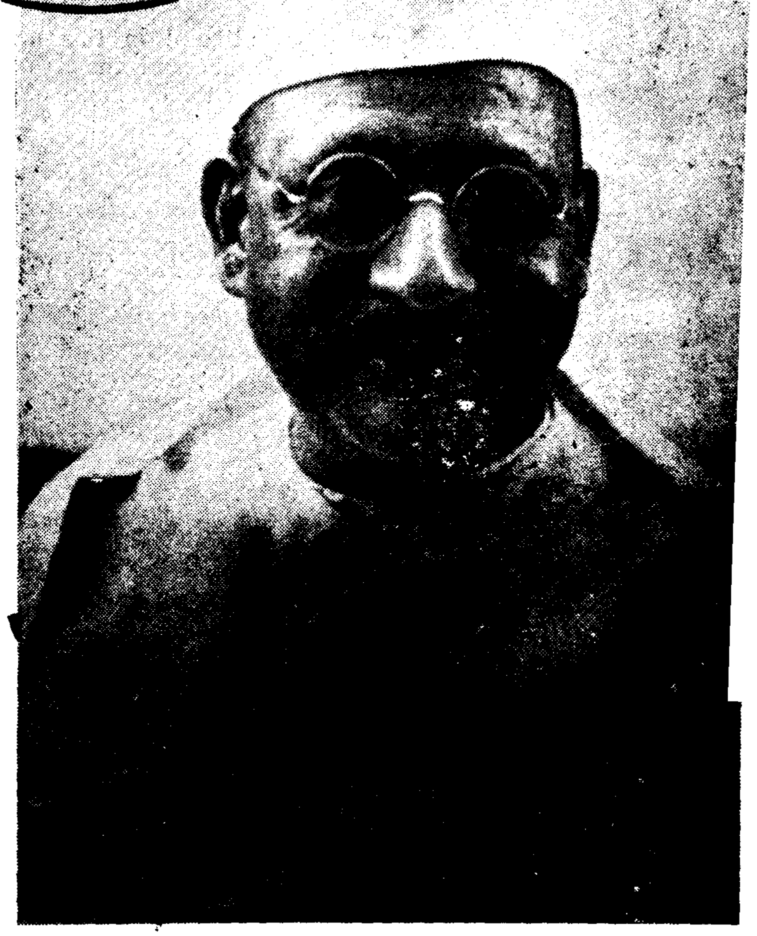
Whoever would have thought in normal times that Sri Prakasa of all persons would be chosen to hold the Commerce Portfolio? He has had but the remotest of connection with business. The whirligig of time has thrown him into that position; and circumstances have so developed in the Centre as to justify the appointment from many points of view.

Sri Prakasa's appointment is a political and party appointment made to ensure the Congress character of the Cabinet. Sri Prakasa has been all his life a devoted Congressman and is acknowledgedly one of the strongest pillars of the Congress hierarchy and organisation in the United Provinces. The revolt in the Congress in that Province has to be tackled and Sri Prakasa will be a potent force in that direction. There is also need for debating talent in Parliament, and Sri Prakasa, for many years a distinguished legislator and party warrior, will be a striking addition to that talent. He is also on the right side of sixty, a consideration which, in view of the call from many sides to introduce more of youth, would have weighed with Panditji in chosing him.

Sri Prakasa is one of the most distinguished of our fraternity—the journalistic fraternity—having dominated the U. P. Press for over thirty years. He is, in addition, a lawyer, an educationist, a multi-sided genius. Above all, it should not be forgotten that he was the first High Commissioner of India in Pakistan: and knowing A to Z of the Indo-Pak trade problems, and these being the most pressing of all problems [redacted]the Commerce Department, his appointment is placed beyond cavil.



CONTENTS

Business Week India

VOL. III No. 24

NOTES AND COMMENTS

Film Finance

The Indian film industry, it would appear, is faced with the same problems which the British industry has had to face some time ago. It will be recalled that in Britain, the Government provided special agencies to finance the industry. The industry in India demands that similar aid and facilities should be given by the Government to it also if it is to be maintained in a healthy condition. In his evidence before the Film Enquiry Committee the other day, Mr. Chandulal Shah, of the Ranjit Movietone, expressing the views of the producers, stated that the unwillingness of bankers and financiers to come to the assistance of producers was due to the lack of interest on the part of the Government. "The producers had, therefore to go to private bankers and tempt them by offering heavy rates of interest. This tradition, had persisted up to this day," he said.

As a consequence of this method of financing, many producers had dropped out of business. Mr. Shah was of the opinion that the industry, as a whole, could be considered to have failed even though some producers had managed to stay on in business mainly because of support of the public who are keen on seeing pictures representing their own culture, music and stories. Another handicap that the industry had been suffering from was the lack of sufficient number of theatres in the country. This had led to the locking up of a number of pictures which had not found theatres for release.

Mr. Chunilal, Chairman of Filmistan, in his evidence appealed for financial help from the Government in the form of subsidies or the setting up of a finance corporation in order to put the film industry on a sound footing.

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Mr. Munshi Means Business

Mr. Munshi, the new Food Minister, has inaugurated his food campaign with a comprehensive survey of the problems and the solutions he would apply to them. Self-sufficiency is to be still the sheet anchor of his policy in regard not only to food, but also the other two principal crops of the country on which its economic health so much depends—jute and cotton. His food policy will be a national, not a regional, policy; but the policy is to be implemented through regional and local action, the aim being as far as possible regional self-sufficiency. Such a policy will entail a minimum of transport and long range exchange which is always difficult to effect.

Food control will not be given up, but it will be simplified and its objectives will be more to ensure regional self-sufficiency than to bring about equality of supply mathematically. Freedom from foreign bread—which is the goal of Mr. Munshi's policy—can be achieved only by maximising local supplies and minimising local demand for rationed food. A carefully evolved land utilisation policy is obviously necessary if these goals are to be achieved; a concommittant is a price policy which will canalise land resources to the production of such crops in quantities which will ensure the supply in adequate quantities of all crops. There should be no premium on the production of crops in a manner calculated to divert more than the necessary land to a particular crop of the required quantity.

The greatest economy must be effected in the use of food. Greater reliance should be laid on subsidiary food—tubers, vegetables and the like. If need be, there is nothing wrong in reducing the ration of cereals so as to promote the use of vegetables, fruits, greens and other subsidiaries. It must be remembered that foreign fashions have affected our food habits to the detriment of the nation as it did the clothing habit. Gandhij attacked this fashion and there has been a very gratifying return to simplicity and self-sufficiency. In the field of food also, there is need to change this fashion and return to traditional ways of avoiding foreign food.

Mr. Munshi realises that the food problem can be tackled successfully only by attacking it on all fronts simultaneously. His insistence on "plant more trees" campaigns and the formulation and enforcement of a national forest policy as an essential concomittant of a satisfactory food policy are thus wise.

* * *

World Agriculturists' Meet

Next week, the International Federation of Agricultural Producers will meet in a conference in Sweden to consider problems peculiar to them.

The conference, which will be attended by 37 member-nations, including India, will discuss its relations with the Rural Welfare Divison of F. A. O., co-operative manufacture and distribution of agricultural implements and machinery, the role of co-operatives in national and international marketing, the proposed international centre for co-operative education, and the position regarding international measures to stabilise agricultural prices and distribute surpluses including present status of the International Wheat Agreement.

The conference will also explore the possibilities of foreign agreements among nations on sugar and cotton and exchange of agriculturists from one country to another. The establishment of an International Commodity Clearing House for the purpose of distribution of surplus production of one country to the needy countries, and thereby avoiding dumping and monopolies will also be considered.

India will be represented at the Conference by a delegation, sponsored by the Government of India, of the Indian Rural Peoples' Federation. Mr. S. M, Wahi, the alternate leader of the delegation, detailed, the subjects which will be tackled by the Conference. These, it would appear, include other subjects than those mentioned above. Here are some of the main topics:

1. Role of co-operatives in national and international marketing and manufacture, distribution

of agricultural implements and machinery.

2. International centre for co-operative education.

3. Agricultural credit, rural housing and agricultural workers' organization.

4. Working hours and social security to farmers and agricultural workers.

Mr. Wahi said that on most of the issues, the delegation have been well advised by economists and agricultural experts in the country.

In our opinion, it would be foolish to lay much store by international co-operation in these matters. The dangers of a Commodities Clearing House have already been indicated by us. F. A. O. and other agencies will be useful as a clearing house of information, ideas and technical aid; but, in the light of past experience and present conditions, our motto should be: SELF-SUFFICIENCY—"I Grow My Own!"

* * *

The Economic Malaise

Complaints against the way in which our economic affairs are managed by the authorities at present are now being heard from almost every quarter. "Everything seems to have gone wrong in our economic life", observed Mr. A. R. Siddiqi, presiding over the annual meeting of the Muslim Chamber of Commerce at Calcutta the other day. According to him, our banking is in a state of muddle due to many controls under which it is working, and devaluation of the rupee has made it worse. This is having its repercussions on exports and imports with the result that commercial and industrial activities have come to a standstill. The unfortunate quarrel with Pakistan over jute deliveries and the stoppage of coal, cotton and other commodities are also having their share in the deadlock which is doing great harm to merchants on both Dominions. The money market, the commodities markets, and the share market are in a state of lethargy. In the field of agriculture, cheap and borrowed methods totally out of tune with our customs, habits and traditions, are not giving the desired results, and peasants seem to be as disgruntled as ever.

Mr. Ratanchand Hirachand, Chairman of the Bombay branch of the Engineering Association of India, had also many unpleasant things to say concerning the industrial policy of the Government. Presiding over the quarterly general meeting of the Association, he charged the Government with having failed to give "even reasonable assistance" and facilities for the favourable growth of industry in the country. He pointed out further that the Government, while adopting the policy of control of movement and distribution of commodities and raw materials, on the one hand, had, on the other hand, failed miserably to meet adequately the requirements of some of the indigenous industries like steel, textiles, etc. A natural corollary of this state of affairs, he asserted, was that the confidence of the people in the ability of the Government to adopt definite policies in the sphere of trade, commerce, and industry, had been seriously disturbed. The same stifling conditions, Mr. Hirachand pointed out, were prevalent in the spheres of transport and power supply. Several speakers addressing the meeting also pointed out that while expensive machinery installed in various parts of the country was being compelled to remain idle for sheer lack of raw materials, orders for manufactured goods were being placed abroad

Since complaints against the "unhelpful" attitude of Government are mounting day by day, and production of essential goods still remains low, it is time something is done to remove present bottlenecks wherever they exist. The suggestion of Mr. Hirachand to set up Enquiry Committees, both at the Centre and in the States " to enquire into the working of the Departments of Supply with a view to a scertaining the causes of complaints emanating from the various centres of production " is one worthy of consideration.

It is true, no doubt that the transfer or power has given us the long-delayed opportunity to put our house in order and to find food, clothing and accommodation for the people and raise our own standards of living. But it is idle to expect for one moment that all these will flow unto us of their own accord or that they could be achieved within an incredibly short time of three or four years. Only by dint of hard work of a productive nature can we achieve anything like success in the matter of self sufficiency in the essentials of life. As for " Government, the Planning Commission is already at work, and it is gratifying that emphasis is being placed increasingly on short-term plans, and regional development and self-sufficiency.

* * *

The vast machinery of the Congress organisation too has been geared to enhance the production potential of our country, and no efforts are being spared to diagnose and cure our economic maladies. A double directive to State Governments and Provincial Congress Committees has been issued by the A. I. C. C. to set up "follow-up" machinery for putting into execution the " immediate programme " of the Congress Economic Planning Sub-Committee which was drawn up in its final form by the Chief Ministers and Congress Chiefs at the recenr Delhi Conference. Regular monthly " progressive reports " have also been called for. Congress organisations have been asked to establish permanent departments with provision for research work and play an important role in setting up institutions like co-operatives, mobilising labour force, and surplus capital resources of the country-side, intensifying efforts on grow-more-food, and harnessing mass enthusiasm for organisation of social services.

Since it has now been realised that the Congress as constituted today is not fully equipped to implement the immediate programme, congress workers have been asked to take active help from other constructive organisations like the All-India Village Industries Association, the Talimi Sangh, the bharka Sangh, etc. The constructive workers of all these organisations will form eventually a nucleus of the vast field of workers that the country will need to put through the economic programmes of the Congress.

Since Government are now bent upon doing something immediate and tangible, the enthusiasm of the masses will be whipped up in the implementation of the constructive programmes.

Cotton: International Conference

U. S. MONOPOLISTIC PRACTICES PREJUDICE FAIR DEAL

The International Cotton Advisory Committee began its session last week at Washington. We are not surprised that so far the progress achieved by the organisation is not very encouraging.

Of the importance of the organisation there can be no doubt. It consists of 22 member-nations, that is, practically all countries of any importance which produces cotton. Between them, these nations produce about 90 per cent. of the world's cotton output and their consumption of cotton is not negligible—85 per cent.

The objects of the meeting were described recently by the U. S. State Department in a statement. " The meeting will examine," it ran, " the current economic position of cotton in the world, the trends of recent and prospective developments, and means of increasing cotton consumption." "Representatives of member governments, " the statement proceeded, " will discuss the situation in their individual countries and their national policies and programmes affecting the commodity. Reports will also be exchanged on progress in improving cotton statistical services, and action will be taken on the programme for 1950—51."

So far as India's position is concerned, the situation, it is notorious, has been becoming curiouser and curiouser. From a mighty exporter of cotton, she has become one of the world's biggest importers! There has been increasing resistance to her short staple cotton in foreign countries and the trade in it has shrunk. So also, her yarn is being beaten in international markets by Belgium and other countries. She is interested in keeping cotton prices steady if not at considerably lower levels. Such stability is the interest alike of the grower and the consumer.

Unfortunately, the U. S. policy renders it difficult to make such a policy prevail. The U. S. is interested in keeping up prices in the interest of her farmers. The price parity policy determines prices; that is to say, America must fix and enforce such a level of prices as will guarantee to the American farmer the highest standard of life possible. When world demand is low, she witholds her stocks from the markets through her stockpiling programmeand enforces a world price out of tune altogether with the supply position. This unfair rigging of the market in the interests of the richest country and grower makes it impossible for the other growers and consumers of cotton to keep their industry stable.

The fact is that unless America is prepared to make some small sacrifice and resist from using her bargaining position to the serious detriment of other nations, there can be no international solution. She condemns monopolies in her national policy and puts it down with heavy hand; but she does not scruple to use monopoly in her interest as against other nations.

Productivity Problems

By John Kingsley

In almost all parts of the world today there is a desire to achieve one or both of two ambitions—to become independent of outside economic aid as soon as possible and to raise the standard of living. There is consequently widespread interest in the means to these ends. A major means is the raising of output per worker by increasing industrial efficiency, and it is worthwhile looking at some of the ways in which this task has been approached in Britain.

Industrial production in the U. K. increased by six-and-a-half per cent. in 1949. This is a very high rate of progress which, if it was maintained on the same scale, would give an increase of 50 per cent. in less than 10 years. It was a solid advance because it was only partially due to the increase in the number of workers employed. It was mainly due to an increase of nearly four per cent. in the total output per worker per year.

This was more than the two-and-a-half per cent. increase which had been expected, but the British Government are cautiously working on the assumption that the output per worker will increase in 1950 by no more than two-and-a-half per cent. though it might be more since British industry is growing increasingly aware of the importance of increasing output.

Government Campaign

This whole question is summed up in one word "Productivity"—a word which is not easy to define, but one which is now well known to men and women in British factories. For the Government have for some two years been running a publicity and educational campaign to make workers and management conscious of the possibilities of higher productivity. At the same time the Anglo-American Council of Productivity, which is financed by Marshall Aid funds, has organised 12 visits by teams from British industries to study the latest methods employed in the U. S. A.

The result has been an ever-growing volume of information available for the help of British industry. Much of this has come from industry itself, for the best of British industry is well abreast of the latest industrial techniques in spite of the interruption of thewar, which postponed the installation of the most up-to-date machinery. The problem is to bring the less efficient sections up to the level of the best.

One way this is done is by the pooling of industrial experience. Many British firms have made public reports showing how they have been able to increase output and lower costs. A large number of these success stories have now been published. An analysis of them shows that they have many common features likely to encourage widespread imitation.

Incentive Schemes

The most common route to more efficient production happens to be attractive to workers. About three-quarters of the case histories pooled through the Economic Information Unit of the Treasury had some form of incentive wages scheme. Details varied widely from a simple bonus on production to complex payment by results, but the effect was to give the worker the chance of earning more by greater effort or by greater efficiency.

Widening the range of some form of payment by results has enabled a large section of British workers to increase their earnings substantially during the last two years of the wage stabilisation policy. This has been welcomed by the Government because higher earnings linked with greater output are healthy signs of expanding economy.

Equal in importance to wage incentive schemes is the practice of "joint consultation"—the establishment of committees and other means of enabling workers and management to discuss problems of production together. Again, about three-quarters of the reports from successful firms make a point of finding ways of making every man and woman understand the importance of the job to be done. Many firms take their workers fully into their confidence by giving them the facts of production and finance.

Psychological Approach

Factories working for the export trade try to give their workers some idea of how they are individually helping to pay for Britain's imports. The Treasury Economic Information Unit helps by distributing posters and information which aim to give the worker this feeling that he is doing something directly important.

For example, the Government's latest monthly bulletin on productivity gives a list of imports which can be bought for a hundred pounds'worth of exports: wheat for more than 5,000 loaves, enough timber for a house, 180 gallons of rum, 900 dozen eggs, and so on. Individual firms can use this information to show what their own particular exports will buy. The use of this kind of psychological approach to establishing good industrial relations is not unlike the practice of Army commanders such as Lord Montgomery, who liked to take histroops intohisconfidence.

Other methods most often mentioned as ways to industrial efficiency are improved factory layout, reduction in the number of processes and standardisation of products, and systematic training. All these are ways which have been proved to raise industrial efficiency without the introduction of expensive new machinery. The demand for new equipment is so heavy that it must be spread over a period of years even though the U.K. is spending one-fifth of the national income on capital investment.

One of the more difficult problems has been to find ways of extending payment by results and wage incentive schemes to the ancillary trades which provide services rather than make things. This problem has been successfully tackled by British European Airways in their aircraft maintenance branch.

Obstacles to Capital Formation

By Dr. Rm. Alagappa Chettiar, M.A., D.Litt., LL.D., Bar-at-Law.

That Capital is shy is the general cry today everywhere in the world of finance. Dr. Rm. Alagappa Chettiar examines below the truth of this statement and analyses the causes of the severe set-back in capital formation.

We are often used to the phrase: "Capital is shy". Shyness presumes that there is somebody to be shy, and that a reasonable persuasion and offer of attractive treatment will induce the coy maiden to give up her aloofness and enable her to reciprocate and respond to the entreaties of the lover. But the maiden seems to have already taken fright and fled from the scene!

Shift in Incomes

The extent of capital held and the sections of society which owned capital have both changed considerably in recent years. The quantum of riches held by the few in the old days is now spread out in the hands of the many. The extent of capital held by the wage-earner, the shop-keeper and the agriculturist is not sufficiently big to release any capital worth mentioning after satisfying the needs of these sections of the community at existing inflated prices of commodities and consumer-goods. The old capitalist who had an abundance of wealth is fast disappearing; the new rich (it is even wrong to call them rich) have not any surplus which they can invest.

The only way in which capital can come from the new classes that have some money to invest is by way of savings invested in National Savings Certificates or Post Office Savings Accounts. But neither their capital nor their mental outlook is such that they could be persuaded to contribute capital directly to industry or place deposits with banks. The new rich, i.e., the wage-earner, the agriculturist, and the large number of citizens who have come into small businesses have something to spare, but not the mental outlook and the tradition to invest direct in industrial undertakings. It is the duty of society to educate these new classes to invest their available surpluses in the purchase of National Savings Certificates.

Threats Will Not Avail

Gone are the days when you could expect capital from the sections which contributed capital in the olden days. Those sections continue an attenuated and miserable existence fighting problems of life in their severity. To the extent capital does exist in any appreciable dimensions in the hands of the old capitalist class, the question arises as to why new investments are not coming in, even to the extent possible. The answer is fright and consequent paralysis of action. Human nature being what it is, things that are owned in the sense of ownership of any property accepted by society, will be parted with only as the result of a deliberate decision on the part of the owner to release that thing which was owned. If the person who owns feels rightly or wrongly that he is being compelled as against his own interest to part with a thing that he owns, we may safely assume that the full effects of release by the owner will be prejudiced and damaged by the manner, the method and the hundred and one complications of forcible extraction. Even a cow does not yield milk when she feels suspicious of the new milkman or the new surroundings in which she is placed. Is it strange that man, who is much more sophisticated and selfish than a mere animal, will not allow free flow of his wealth when he is compelled under pressure of parting with the things which, in all conscience, he believes he really owns?

Change the laws of society, and then say that the State owns all property, and no individual could be the legal owner of anything excepting perhaps that he may enjoy the usufructs and even that in a limited way. Until that new order of society comes in, we must accept human nature as a fact and arrange life accordingly. You cannot win confidence, love, affection, regard, esteem and, I may add, property of an individual excepting by love, persuasion, and a statement of a case that it is good in the interest of the man who parts with wealth. You cannot whip a horse to drink. You can whip it to run away. You can injure the horse in a moment of anger if you rightly or wrongly feel that the horse is not doing what you exactly like it to do. —Capital will be forthcoming or can be expected to come out of its shell only if reasonable conditions of return, safety and good treatment all along the way are genuinely offered by Government and society.

Govt.'s Unhelpful Attitude

It cannot be claimed by any that these conditions of safety and return and good treatment have been fully assured to the investor. Well, assurance has been orally given, popular statements have been made, communiques have been issued. It is still a fact that experience and periodic outbursts of some in authority, not at the top of the pyramid but lower down, have frightened the investor on every one of these counts. The cool breeze that assuages and refreshes the body and the mind has at times either stopped or, what is worse, has given place to a dust-storm or a violent gale. And every experience to the contrary dies hard and it takes a much longer time again to re-establish a proper climate for capital formation. Credit, whether individual or Governmental, can be established only by evoking the psychological faith and confidence of the investor. It cannot be raised even by a G. O. A G.O. can confiscate property but cannot get credit in a world of free economy.

The threat of nationalization, to my mind, is but one of the causes that has damped the enthusiasm and the confidence of the investor. The average investor does not read policy statements of Governments and gazette notifications. He is no student of Politics, studying the niceties of checks and balances. But what he does read is that Government, instead of being the first to obey their own laws, do not scruple now and then to break laws. Government breaking laws may be a contradiction in terms. But one will appreciate the force of what I say when he remembers that Government has brushed aside normal procedure and law and resorted to Ordinances and hasty legislation in order to secure what they conceive to be their duty. It is an unequal battle between a Government and the individual even in the best of circumstances. How much more unequal will the ordeal be if Government over-night passes legislation and assumes new rights and cancels the basis of 'status quo' by notifications? The encroachment of the Executive into the fundamental rights of the citizen is now a subject-matter of many a suit before the Supreme Court. Decisions of courts apart, it is evident that the bulk of the community feel that their rights, though declared, remain only on paper and they have no knowing as to when they will lose it without even due notice !

We find abolition of Zamins with a declaration that compensation will be paid. Abolition takes place early, and due compensation is religiously awaited with a full sense of utter fear. This is not business. When I part with property I expect payment at the counter. If this is not done, let Government by all means create a new economy where laws of property will cease to exist. Governments fight shy of the word : "Expropriation". But the effects of expropriation are actually felt even in case of compensation, because the time-lag is unbearable. Industry is taken over by Government without regard to existing laws and by issue of Ordinances. The Damocles Sword hangs all the time and normal rules of procedure prescribed by law are just set at naught by an all-powerful Government. How do you expect the investor to part with his property when he does not know by what laws his capital will be governed and what his rights and obligations are.

Uncertain Policy of Government

Take the policy of Government control of cotton prices, for instance. It is an every-day occurrence to find mills throughout this big Continent of India purchasing cotton at prices very much higher than the ceiling rate. You may safely trust a business man not to pay more for what he purchases. But when the purchase cannot be made at a price fixed by government and when it has to be made for the very existence and cotinuance of the industry, some legal fiction is resorted to for purchasing Kapas and thereby get the cotton by ginning it at prices higher than the ceiling rate. All appeals to Government either to increase cotton prices or to introduce integrated controls by controlling Kapas have been ignored by the Central Government. The bottlenecks of the various controls and the tortuous procedures are again further frightening conditions. One can go on quoting items *ad infinitum* of the above kind—items that retard and frighten capital formation. Hence it is not often correct to say that the threat of nationalisation alone has prejudiced the flow of New Investments. What has actually retarded it is the present unsettled conditions of Government policy.

Capital in the first instance has broken up into fragments. It is now in the hands of a larger body of people who have not the tradition to invest in industry. Their surpluses must be tapped by propaganda and proper treatment. What little capital exists is not merely shy, but frightened. Declaration of fundamental rights in the Constitution does not give much satisfaction to the average citizen. It is not everybody who can engage eminent counsel and fight Government who can engage all the Advocates General of India in the Supreme Court to defend the actions of Government Really speaking, it shows that, legalisms apart, Governments do go contrary to established law and procedure and disturb the rights of ownership whenever they feel it necessary. It so happens that they feel this need very often. The new policies as found in actual experience are frightening many of the old generation. Any further dosage of arbitrary interferene by authority and clothing it with propriety and form by giving it the name of Ordinances will certainly tend to frighten the people, for more than in any other walk of life, the instinct of ownership is uppermost in the average citizen. And it is no good forgetting the existence of this instinct.

Until a new order of things is ushered in by society, such as State Socialism and the absence of private capital, it is good to proceed cautiously and remember the existence of the instinct of self-preservation about which sagas have been written and sung. Nationalise wealth by all means; but produce the wealth first and help its formation.

—Courtesy A.I.R.

Workers' Control vs. Joint Consultations

By H. A. Turner,

(Lecturer in Industrial Relations at the University of Manchester)

It is probably a good omen for industry that very varied joint consultation procedures work satisfactorily in several industrialised countries of the West, wherever management and workers are determined to make these work.

The past 10 years have seen a great development in systems of representing the view-point and interest of workpeople in the general policy and day-to-day conduct of industry. "Industrial democracy" and "workers' participation in management" are slogans which have caught the imagination of active trade unionists, while "joint consultation" as a general principle is now rarely questioned by workers or managements—though conceptions of its practical meaning and scope differ widely.

In any event, forms of participation or consultation of workers' representatives in the settlement of industrial and economic policy beyond wages, hours and allied working conditions now exist in variety at all levels. Much of this development has occurred in relation to post-war nationalisations. In some degree, however, it extends to almost all sections of employment.

Labour and industrial thinking and policy on it have been marked broadly in terms of an historical conflict and compromise between "Workers' Control" and "Whitleyism".

"Reformist" Policy

Before World War I, a number of British unions were already advocating the socialisation of the industries in which they operated. Little thought was given, however, to the practical question of administrative form. During world war I, industrial unrest in heavy engineering centres crystallised in the Shop Steward's Movement, in opposition to official union leadership committed to a no-strike policy. In this movement's programme was included the revolutionary objective of "workshop control", i.e. the taking over of industry by the workers themselves and its operation through their elected representatives. The trade union movement as a whole adopted a socialist "reformist" policy with the acceptance of the Labour Party's 1918 Programme.

About the same time the "Worker's Control" idea received a popular and constitutional formulation from the "Gild Socialists", whose advocacy of the conversion of industries into "Gilds"—public services run direct by the unions, themselves to be reorganised on industrial lines—secured such support that the building trade unions, for instance, took part in the formation of a National Building Gild to carry out housing programmes (an unsuccessful experiment, incidentally).

The industrial upheavals of 1916, however, also led the Government of the day to set up a commission—the "Whitley Committee"—to "make recommendations for securing a permanent improvement in relations between employers and workers". The Whitley recommendations, in addition to the extension of arbitration and legal wage fixing machinery, included the establishment of "Joint Industrial Councils" which were "to secure the largest possible measure of joint action". This might include not only wage negotiation, but also "regulating production and employment" and the examination of organisation and methods in their trades: at the job level they might be accompanied by Works Committees which could include organisation and efficiency in their scope.

Whitley Councils

These things were to be done by agreement between employers and unions, and would leave the fundamental rights of the former unchanged. The "Whitley system" had Government support: many Joint Industrial Councils were set up—though not all survived, the functions of these were usually more restricted than the full scope proposed, and the development of Works Committees was limited. However, "Whitley Councils" are still the standard form of negotiating and consultative machinery in Government and local authority employment.

These alternative lines of approach have appeared in all subsequent discussions. Between 1932 and 1935, for example, a series of major theoretical debates on the control of nationalised industries were staged in the Trades Union Congress and Labour Party conferences. The cleavage was between direct union representation in managing boards, and the appointment of directors—who should, however, consult employees' representatives—on the basis of ability and public responsibility alone.

A compromise formula left many questions unanswered, and in 1944 the Trades Union Congress adopted a report, the essential principles of which were embodied by the Government in industries subsequently nationalised. This sought to avoid on the one hand the confusion of public and union responsibility in directors appointed as union representatives, and on the other the danger of managements otherwise appointed being reluctant to accept workers' viewpoints expressed through consultative machinery. Ministers concerned were to select some members of national boards from competent nominees put forward by the Trades Union Congress itself; those selected were thereafter to sever direct connection with the unions.

The Trades Union Congress and the Labour Party itself are now examining the experience of workers' representation in the nationalised industries. Recent majority discussion, however, has concentrated less on top-level administration

(Contd. on page 464)

The Czech State Bank Act

On the 1st of April the Act of Parliament No. 31 of 9th March 1950 establishing the Czechoslovak State Bank came into force. The aim of the State Bank is to ensure the fulfilment of all tasks concerning currency and banking that are not directly in charge of other State organs, and to see that these tasks are fulfilled in harmony with the country's economic planning. The Bank is a State institute and has the status of a juristic person. Its head offices are in Prague, and it enjoys all the legal protection which pertains to national corporations. The Bank will conduct its operations through its head offices in Prague, its regional institute for Slovakia in Bratislava, and through branch offices. It has the exclusive right of issuing bank-notes and to regulate the fiduciary circulation. It is also the banking centre for the entire Republic. It will grant direct short-term economic credits, advance loans to popular banking institutions and supervise the credit operations of those institutions. It will conduct the treasury service for the State, buy and sell securities, and is the main deposit centre ; it will see to the placing of securities, will carry out the service of payments with abroad, and will print banknotes. At the head of the Bank is a manager-general who is personally responsible to the Minister of Finance, and in duty bound to follow the Minister's instructions and directives. The capital of the Bank is 3,000 million Kcs.

* * *

Pullangode Rubber and Produce Co. Ltd.

The Report on the working of the year ended 31st March 1950 shows : The nett profit for the year amounted to Rs. 74,972 as against Rs. 89,297 for the previous year. In accordance with the report on the 1948-49 working a sum of Rs. 69,901 was carried forward in Profit & Loss Account to the year under review, to which must be added the year's profit making a total of Rs. 1 44,873-11-3 available for disposal. The Preference dividend payment for 1949-50 has absorbed Rs. 9,000/- and the Directors recommend that the balance be disposed of as under : By payment of a first and final dividend of 5 per cent. on the Ordinary share Capital Rs. 55 000 ; By transfer to a General Reserve Fund Rs. 25,000 ; By carry forward in P. & L. Account Rs. 55,873.

Cont. from page 461).

than on the channels of "rank-and-file" participation. Opportunity of access to directing posts, managerial training for workers, and effective consultation "on the job" are under review. Meanwhile, certain unions—most persistent of which are the postal workers—continue to advocate "Workers' Control".

Special Study

On both sides of industry, ideas on workers' participation in the area of private ownership are less precise. World war II saw a considerable growth in joint consultation on production and on other matters, part voluntary, part under Government stimulus. There was a decline in joint consultation immediately after World War II but a considerable revival since 1947.

Many individual firms have given special study to its development. Several private industries make formal provision for such procedures, though their use and application often varies in quality. At a national level, trade unions and employers have participated in Government-promoted "Working Parties" and "Development Councils". No such commonly-accepted "formula" as that of the nationalised industries, however, has yet emerged, perhaps it should not be expected.

One area in which workers' participation has gone a long way quietly is in the co-operative movement which handles a great part of Britain's retail trade. Many co-operative societies permit employees to be elected—usually by the society's members—to the management board. In one large—and apparently successful—society the majority of the board is so composed.

—(*Exclusive to "Business Week"*.

Canada's Documentary Films

HOW THEY HELP NATIONAL LIFE AND PROGRESS

Mr. R. R. Diwakar, Minister of State for Information and Broadcasting, observed in a recent speech that private film producers in the country should produce more documentary films to help educate the masses of India. He said that with the object of educating the people the Government had expanded the activities of the films division of the Ministry in June 1948 and out of a total of 3,200 cinema houses in India nearly 2,900 were now being regularly supplied with documentary films and newsreels, catering thereby to the needs of 70 to 80 lakhs of people per week. But this, he said, was not enough and private producers must take it up and produce more such films not only for the entertainment of the common people but also to educate them. Government, he added, were prepared to purchase such films.

How Canadians Do It

Canada has made much progress in the production of documentary films during the past decade. Mr. Ross MacLean, in a recent article, gives some interesting details. "Since the National Film Board of Canada was established by Act of Parliament in 1939", writes Mr. MacLean, "the story of Canada has been documented by some 2,500 films. Many of these films—variously designed for the classroom, community hall, theatre or newsreel—reflect the expansion of industry. At the time the National Film Board came into being Canada was preparing for an industrial drive which in a few years was to rank her fourth among industrial nations."

The objectives of the National Film Board of Canada were set forth in the National Film Act of 1939. They were :

To make and distribute films, filmstrips, photographs, and other graphic material designed to help Canadians in all parts of Canada understand the ways of living and the problems of Canadians in other parts ;

To make and distribute films, filmstrips, photographs, and other graphic materials on behalf of all Government departments;

To distribute Canadian Government films in other countries; and

To develop information services in connexion with Government film activities.

From the beginning, the community was both studio and set, the actors were the people, and the showing places, as often as not, were community halls. The National Film Board's dependence on public cooperation is predicated by the Film Act and by the nature of the country. As the film critic of the *Scotsman* (Edinburgh) said lately, "Canada's films do not essay the higher flights, but they obey the old injunction to bring life to their subjects... They seek to articulate the facts of life in a modern world."

Recording "Facts of Life"

What are the basic "facts of life" in Canada ? The land is half a continent—3,500,000 square miles of lakes, mountains, prairies, forests, bounded by three oceans. Scattered about this land are a handful of people—13m. odd—drawn to the new land from the population centres of Europe and Asia. Canada is a nation of immigrants with two official languages, French and English, and a babel of minority tongues, Eskimo to Chinese.

When the rapid industrial expansion of World War II pushed Canada into the first rank of nations it was the task of films to show this people, so scattered in location and origin, the depth and breadth of the change. Films had to foster an emotional maturity in keeping with the duties and dignities of an independent and adult nation. These were among the first "facts of life" in Canada to be recorded and interpreted, and they left little leisure for the higher flights.

The early film, 'Peoples of Canada,' was concerned with our origins and identities. Others followed : The Acadians, Double Heritage, Eskimo Summer, Gaels of Cape Breton, Gaspe Cod Fishermen, Iceland, On the Prairies, Ukranian Dance, and People of the Potlach. These are the films which note our differences in origin and culture, but which show a common purpose and achievement.

Help Industrial Development

They pictured as well a people and economy in transition. Through films, Canadians foresaw the time when the rewards of the traditional industries, farming and fishing, would be outstripped by the new wealth of mines and mills.

National industrial objectives are interpreted by films like Coal for Canada, The Story of Oil, Power Valley, Tomorrow's Timber, and such films as Canada—World Trader. Bluebloods from Canada and Fashions by Canada have followed the course of Canada's trade. These films state "the facts of life in a modern world" understandably, if plainly. For example, hydro-electric power, with which Canada is so richly endowed, is now hard put to keep pace with demands. Power Valley, Power from Shipshaw and Saguenay illustrate what is entailed in supplying more and more power to maintain the expanding Canadian productive capacity and domestic demand.

By showing that the expansion of industry in Canada demands the interest and energy of the whole people, films have given perspective to the striving for unity of aspiration and purpose which has been the hope of the Canadian people since Confederation.

The National Film Board serves to underline the new imperatives of a national outlook and in some measure creates it. Although it is hard to estimate how much progress is made toward a Canadian viewpoint by the production and showing of a film, it is obvious that British Columbia salmon fishermen in the far west find reason for

(*Continued on page 464*)

Industrial Migration

GROWTH OF U. K. & U. S. FACTORIES IN AUSTRALIA

There is no decrease in inquiries from overseas industries interested in establishing factories in Australia.

One of the interesting features of this development is the fact that some British firms are bringing whole factories, complete with operatives and housing accommodation for them. The largest single British unit to be established in Australia is the Courtauld's £6,000,000 rayon project. Already work has commenced on the factory buildings, near Newcastle, New South Wales.

British and American manufacturing interests are planning to make Australia a base from which to supply the growing needs of Asia. An additional fillip to the Commonwealth's industrial development is the British plan to spread vital war industries throughout the Empire. War conditions forced Australian industry to develop along lines that might not have been achieved in a generation of peace. Scores of these war-time industries are now fundamental to peace-time development.

American Interests Expand

A survey conducted by the Commonwealth Division of Industrial Development records that 124 United States firms are now operating in Australian secondary industry.

Of this number, 40 have established themselves in the Commonwealth since 1945. The nominal capital of the Australian companies is £A30,000,000 while the combined capital of the American parent companies is 100,000,000 dollars. These figures indicate the importance of the industries of the capital issued in the Australian flotations. American investors subscribed approximately £A20,000,000.

Another indication of American interest is the fact that a minimum of 112 Australian firms are manufacturing a wide range of products under licence from U. S. firms. This arrangement has noticeably increased since the war.

Of the 236 Australian firms with American interests through shareholdings or licence agreements, 111 are engaged in engineering projects, 47 in chemicals, paints and oils, 21 in clothing, 12 in textiles, 12 in food and drink, and 8 in paper and printing.

(*Contd. from page* 463)

kinship with their eastern brothers-in trade when they see and understand what 'Gaspe Cod Fishermen' has to show. Films have brought one Canadian face to face with another, and in doing so have emphasized that the energies of all are needed if Canada is to hold its place in a modern world.

So far we have been concerned with films which show industrious and youthful people somewhat separated from each other by geography and origin but increasingly conscious of the need for a common purpose and understanding. What of the individual's need for an understanding, physically and emotionally, of himself?

In films like "Workers on the Land," the story of farm labour; the mental mechanisms series, which illustrate the complexity of the emotional problems; "Mother and her Child," A Direction for the New Parent, etc. we find an awareness of this need. Hundreds of films such as Rural Health, Vitamin Wise, What's On Your Mind, Invisible Armour, etc., sponsored by such Government departments as National Health and Welfare, have brought the individual new knowledge of himself. For the remoter communities of Canada where the interest in music has less opportunity to develop, Listen to the Prairies, the Story of the Winnipeg Music Festival, is a rich experience. Similarly, Children's Concert makes of music an adventure which any child might be eager to begin. There are the films which reflect a maturing of spirit in pace with Canada's industrial and social progress.

It is not an easy balance to maintain. It depends, now as in our beginning, upon close lines of contact with people all over Canada. This is the inter-relationship we wished to make clear when, in our brief to the current Royal Commission on National Development in the Arts, Letters and Sciences in Canada, we defined our principles as follows:

"The prime duty of a Government Information Agency in a democracy is to explain and illuminate, under Parliament, the common objectives of the people. Its function is to stimulate and strengthen the processes of representative Government, to reinforce a sense of community, and to emphasize not only the privileges but the responsibilities of a free society. The vitality of a democracy depends upon the vigour and alertness of its individual members and of the associations through which they act.

Cause and Cure of Unemployment

PLAN OF I. L. O. ECONOMISTS

The International Labour Office recently made public its long-range survey of world unemployment conditions and its programme to avoid another depression. The following is a summary of it.

The ILO economists, in a study prepared for debate by the worker, employer and government delegates of 60 nations at its general conference opening in Geneva on June 7, warned against certain signs pointing to a possible increase in unemployment. They declared, however, that depression can be avoided by means of prompt and adequate international and national action. They said: "The recognition that unemployment and under-employment are social evils which can be eradicated represents a landmark in the thinking of modern times. No longer is there a passive acceptance of the inevitability of unemployment and poverty".

Reason for Unemployment

The ILO economists warned, however, that the maintenance of full employment "is no easy task". Concerning the present world situation, they found: (1) In the United States the rise in unemployment in 1919 was due mainly to the liquidation of inventories held by manufacturers and wholesale dealers. (2) In the Bizone area of Germany, a major factor responsible for the upward trend of unemployment in 1949 was the rapid increase in the labour force consequent upon the large-scale influx of refugees. (3) The unemployment problem in Italy is, to a large extent, of a chronic character, originating primarily in the lack of employment opportunities in southern Italy. The main solution to this problem lies in the acceleration of capital formation so that the idle workers can have the necessary physical equipment with which to work and to produce. (4) The increase in unemployment in Belgium in 1949 can be ascribed to a large extent, to the increasing sales difficulties experienced in the export industries. (5) While, with the exceptions noted above, the great majority of the industrial countries in 1949 experienced low unemployment and utilised man-power more fully than before the war, the employment problem in the under-developed countries remains as serious a problem as it was before the war.

Suggestions

The report, which was requested by the 1949 conference, contained specific suggestions for both national and international action in the under—developed areas as well as the highly-industrialised States. The ILO economists said: "The main features in the world employment situation point to the need for a concrete programme of action to combat unemployment in all its forms, so that the common man the world over need not live in continual fear of losing his job or remain perpetually under-emplotyed and poor through no faulof his own".

The ILO economists warned that in certain States the high volume of expenditure by governments and private producers for the replacement of durable goods worn out or destroyed during the war "is likely to fall as replacement needs are progressively satisfied", and added: "For this reason high levels of employment in these countries are not likely to be as easy to achieve in the future as they have been so far since the end of the war".

Concerning those nations which rely heavily on imports for the supply of fuels and raw materials and which have been receiving foreign financial aid, the economists declared: "For these countries the future prospects of industrial employment would, therefore, seem to depend in part upon their ability to expand exports to pay for such volumes of imported materials as are essential for high levels of industrial production".

The economists noted that some industrial States have not yet set up unemployment insurance schemes and that in others agricultural workers and some classes of salaried employees are without protection.

Administrative Machinery

They also urged the importance of effective administrative machinery to make sound recommendations on employment policy and to act expeditiously. They said: "It is now widely recognised that unemployment arising from deficiency in aggregate demand can be prevented by appropriate public policy . . . There are a variety of measures which Governments may employ to improve incentives to private investment." "These include the extension of credit facilities, the lowering of interest rates, the provision of special tax incentives and Government promotion of industrial research and development of new industries and new products."

The ILO report urged that worth-while projects should fulfil the principle of enhancing the wealth and productivity of the country, and that a distinction be made "between long-term projects of national resources development and short-term projects designed primarily to relieve unemployment."

It said: "It would be desirable to have prepared a carefully planned reserve of public works projects to be undertaken both by central and local Governments, so that they can be immediately carried into operation whenever and wherever the occasion arises." The ILO economists further proposed: "In the past, Government stock-piling programmes have been limited mainly to primary products. This compensatory device might, however, also be applied to industrial goods to forestall unemployment arising from a decline in the manufactures' and wholesalers' demand for inventories."

Proposals for the under-developed areas include:

(*Continued on page 466*)

The Sago Industry

There has been a phenomenal growth of the sago industry in the South since the outbreak of the war. The abundance of tapioca and the war demand gave a fillip to this industry. An enterprising firm, the Starch Manufacturing Company of Salem, evolved a method in 1943 by which tapioca globules could be made and put to the same use as imported sago globules.

The industry has expanded much in recent years and there is still great scope for further development as was pointed out by Dr. B. V. Narayanaswamy Naidu, Member of the Tariff Board, in a recent address at Salem. The industry is now concentrated in Salem district. There are already 20 medium size factories and 80 other units run on cottage industry basis. More than 50,000 people are working in this industry, of which about 5,000 are employed on a permanent basis. The present annual production is estimated at 15,000 tons, working out to about 50 tons per day. The annual estimated demand is 5,500 to 6,000 tons, based on last year's supply.

The growth of the industry is much hampered at present due to some bottlenecks which could be easily removed by Government. The ban imposed by the Government of Madras against the export of sago outside the State should be lifted, so that maximum advantage may be taken by the producers of the suspension of O.G.L. XI. Since competition from Malaya and East Indies is still feared, the continuance of the suspension period for another year will prove beneficial. Frequent imposition of restrictions on the inter-provincial movement of sago hampers the growth of the industry, and if free movement is allowed, a growing internal demand may be met and the need for imports eliminated altogether.

The industry deserves every encouragement at the hands of the Government, particularly as it is a semi-cottage industry giving employment to many and as the indigenous product compares favourably with the imported one in quality.

(Continued from page 465)

(1) "By reclaiming additional land for cultivation, the existing agricultural population can be provided with more land per head and hence with a better opportunity to utilise their labour fully and to earn a higher income. Food supply in those countries will, at the same time, be increased." (2) Where such land is not available, and where industrialisation is to take place, "the speed of industrial development in the underdeveloped countries will be governed mainly by the supply of entrepreneurship, capital and industrial skill." (3) An increase in domestic savings should be stimulated and they should be channeled into the most productive investments. (4) Specific concrete measures should be taken to promote the inflow of foreign capital. (5) Governments should initiate, with the co-operation of management and labour, national programmes of manpower training during the early stages of industrial development. (6) New industries should be located as near as possible to regions of surplus labour. (7) New rural industries, public works and mixed farming should be sponsored to reduce seasonal unemployment. (8) Labour-saving devices should be introduced in agriculture with Government experimentation, education and financial assistance.

International Action

So far as international action is concerned, the ILO economists proposed:

(1) There is a need not only for stabilisation but also for continuous expansion of world trade. (2) "A second, and perhaps the most important, line of international action against mass unemployment is to promote concerted national action, through continuing consultation among Governments, aimed at the maintenance of full employment in each country." (3) There should de "*international arrangements* to ensure that the currencies of the major countries could be made available to the world on a stable basis, regardless of whether these countries were in fact purchasing their usual requirements of imports or not." (4) A fourth major line of international action to stabilise world aggregate demand unemployment is to establish international schemes for the stabilisation of the prices of the world's leading primary commodities.

In summarising the ILO experts declared: A first line of international action to help to solve the problem of unemployment in the underdeveloped countries is to expand the flow of long-term capital from the advanced industrial countries to the under-developed countries for purposes of economic development. A second line is for the advanced industrial countries to put their accumulated technical knowledge and experience at the disposal of the under-developed countries. International action in this vital field has now begun to take concrete shape in the form of President Truman's Point Four Programme and the United Nations' expanded programme of technical assistance. A third line of international action lies in the field of international migration.

Technical Assistance at Village Level

U. S. AGRICULTURAL TECHNICIANS CAN HELP OTHERS

American agricultural technicians can help foreign governments raise living standards by working at the village level to solve farmers' daily problems, in the opinion of Dr. Ross E. Moore of the U.S. Department of Agriculture's Office of Foreign Agricultural Relations.

Dr. Moore, as head of a three-man agricultural mission, has just returned from a survey trip of 12 Eastern Hemisphere countries interested in American cooperation in programmes of agricultural improvement. The countries visited by Dr. Moore and his co-workers, Dr. Albert H. Moseman of the Agircultural Research Administration and Paul V. Kepner of the Extension Service, were: Egypt, Syria, Lebanon Iran, Iraq, India, Pakistan, Afghanistan, Ceylon, Burma, Thailand, and the Philippine Islands. The three men discussed agricultural conditions and policies with government officials of the host countries and considered opportunities for technical cooperation with the United States.

Demand for Technicians

"In each country we visited, we were impressed with the government's desire to advance the welfare of the people," Dr. Moore said. "Government officials are seeking to organize programmes to raise the level of living and they expressed keen interest in whatever assistance and cooperation the United States could give in facilitating these programmes."

Dr. Moore noted a feeling that the first activities under President Truman s Point-Four programme for technical assistance to underdeveloped countries should be directed to the rural village. "They wish technical assistance in developing materials and methods for agrarian improvements at the village level so that the villager can actually see how his government and the United States are working together to help him with his problems," he said.

The American agriculturalist cited the interest he found in establishing agricultural centres from which services can be carried to farm villages in the fields of extension work or direct farm improvement, education, public health, home-making, investment, and marketing. "They want American technical assistance in starting simple, energetic projects," he said, "and already in some countries such cooperative projects in technical agriculture are under way."

In Thailand, for instance, two American technicians have been working with the local government since March 17. Harry H. Love, rice specialist with the U.S. Department of Agriculture, has been assisting the Thai Government in developing a more efficient rice programme and helping coordinate agricultural research. Dr. Robert L. Pendleton, tropical soils expert with many years of foreign experience, who is also a member of the Agriculture Department, is assisting Thailand in soils research, farm management problems, and general agricultural development.

At the request of the Philippine Government, two technicians from the U. S. Department of Agriculture are now working with the Philippine Department of Agriculture and Commerce. John V. Hepler, extension specialist the Office of Foreign Agricultu[illegible] Relations, is helping develop co-ordinated agricultural extensi[illegible] service in the Philippines.

Other Missions Planned

Preliminary steps also have be[illegible] taken to enable the United States co-operate with three other coun[illegible]ries visited by Dr. Moore's missio[illegible] A two-man agricultural mission expected to leave for Iran in abo[illegible] six weeks to assist with agricultur[illegible] extension education on a comm[illegible]nity level and with research a[illegible] general agricultural administratio[illegible]

American co-operation will [illegible] extended to Ceylon in an agricu[illegible]tural extension program to increa[illegible] the efficiency of rice production.

In response to a request of t[illegible] Pakistan Government, America[illegible] technicians will help that countr[illegible] in improving agricultural extensio[illegible] work.

Salaries of the technicians an[illegible] the financial expenditure involve[illegible] in sending them, to foreign cou[illegible]tries are taken care of by the U[illegible] Government. Local governmen[illegible] finance local operating costs an[illegible] any local salaries connected wit[illegible] the projects.

Profits Accumulated Abroad

Indians in business abroad but who are now desirous of returning to India with profits accumulated from their foreign businesses are stated to be under the impression that when they send their money to India, it becomes liable to income-tax. The correct position under the law is that if they send their money to India during a year in which they have been residing abroad, they will not render themselves liable to Indian taxation. Thus, if an Indian residing in Burma in the year 1949-50 made a remittance to India in March 1950 and himself returned to India in April 1950, the Amount remitted would not be liable to any taxation in India. If, however, after his return to India his foreign profits are remitted or brought into this country, they will be liable to taxation.

With a view to facilitating the repatriation of Indians who are desirous of returning to India with savings accumulated out of foreign income, the Government of India proposes to introduce legislation so as to exempt from taxation foreign profits which are remitted to India by such non-resident persons in the first two years of their becoming resident in India.

Residents of India are liable annually to be taxed on their world income. If any part of the income has accrued in a foreign country and has been subjected to tax there, the present Indian law allows rebate of either half the foreign tax or half the Indian tax on the foreign income, whichever is less. Government now proposes to introduce legislation so that the full amount of the tax (not merely half) on the foreign income would be allowed as rebate.

The idea underlying this proposal is to encourage more and more Indian residents to establish branch businesses in countries with which there is no special agreement for the avoidance of double taxation.

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435

Business Week India

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435 3-50.

Sri Chintaman Dwarknath Deshmukh, the new Finance Minister, still on the right side of 55, has had a total service of over 30 years—ten years in the districts—nearly as many in the Secretariat and the same period in the financial sphere. He is a Cantabrian and had his training and inspiration in Cambridge when the Cambridge School of Economists was coming into world prominence—from Marshall to Keynes.

It has been easily said that opportunity maketh the man; but how many are there among the heaven-borns who with equal opportunities have made good as Sri Chintaman Deshmukh has done? Every ounce of his variegated experience he digested and distilled into elixirs of exceeding value and kept garnered for future use in well ordered compartments in his mind. When he was chosen as one of the Secretaries of the 1931 Round Table Conference, he sprang into prominence and shot like a meteor in the Central sphere adorning one office after another in the Finance Department and in the Reserve Bank.

Sri Chintaman Deshmukh is of a quiet temperament; he delights to be in the solitude of his study engaged as much at least in contemplation as in reading; and he promotes and maintains an atmosphere of seriousness to the point of severity and devotion to work. Suave in manners, he is more a good listener than a talker though he is far from being taciturn. In his company you feel you are with an incomparable friend of the Damon and Phythias variety. But none dare take liberties with him, not even the Highest of the High: his unbending integrity and stern independence render such a thing impossible. A member of the *noblesse* in the Central Provinces, a *Deshmukhya*, he is every inch a gentleman, and no one who ever approached him left him with a sense of grievance.

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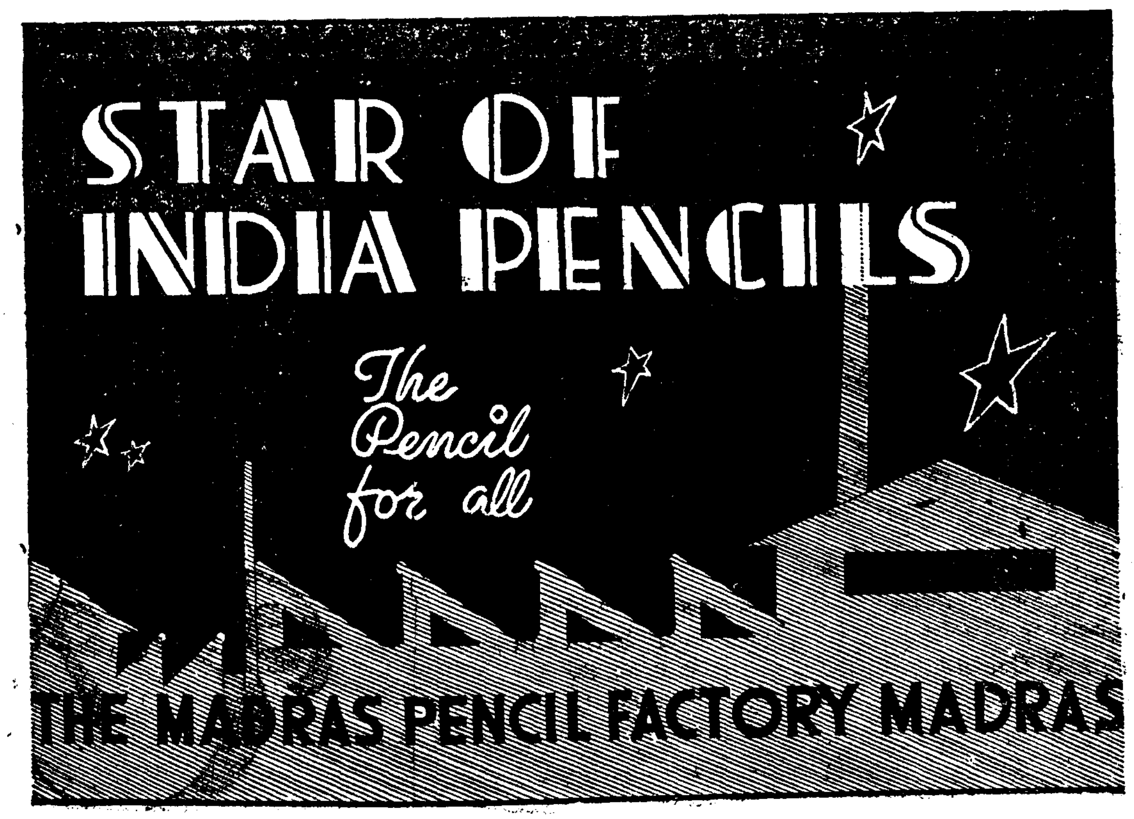

CONTENTS

Business Week India

VOL. III No. 25

NOTES AND COMMENTS

E. A: Groundnuts: Vision Fades!

At long last, it appears that the Labour Government will abandon the grandiose plan for the production of groundnuts in East Africa which, it was trumpeted so loudly, would supply an abundance of edible oils, not only for Britain, but for other countries as well. The scheme proved a bogey for the growers of the nut in other countries such as India and for the producers of other oils as well. Britain has lost tens of millions of pounds in the project. The end of all this, it appears, is the modification of the plan in such a manner as to make of it an item in the colonial development programme!

* * *

Mysore Electric Industries

As a natural sequel to the widespread use of electric power in the State, Mysore is planning to manufacture the electrical goods needed by her people. With this end in view, the Government have sanctioned a big scheme for the manufacture of electric goods in Mysore. The scheme is estimated to cost nearly Rs. 15 crores. Active negotiations for securing the necessary help for this scheme from the Central Government have been started. The scheme is based on the recommendations of a Westinghouse expert who recently examined all possibilities for the manufacture of electrical goods in Mysore and submitted an exhaustive report to Government.

* * *

Hydel Projects for Hyderabad

The Government of Hyderabad have taken on hand the execution of some of the hydro-electric schemes which have been ready on paper for some time The idea seems to be to develop water power side by side with thermal power so that one system may supplement the other through a common grid and thus obviate power supplies failure or restriction in times of low rainfall.

We gather from accounts in the daily Press that work on two hydro-electric schemes, sanctioned sometime ago,—one at Azambad and the other at Nizamsagar—has been proceeding apace side by side with the further expansion of the Hyderabad power station. For the present, it has been decided to generate 37,500 KW, but the ultimate capacity of the new power stations will be 152,000 KW for which plants ordered out have already arrived and are being installed. Moreover transmission lines from Azambad to Warangal *via* Karimnagar are being put up. The power station at Azambad, when completed, promises to be one of the super-thermal power stations in this country.

The capacity of the thermal station at Hyderabad will at the same time be increased considerably so as to prevent stagnation in electricity use in the period between now and the availability of water power from projects now under construction.

* * *

No Recriminations, Please!

Mr. Hare Krishna Mahatab's "mum" directive to manufacturers is in substance correct and well-timed; in tone, however, it lacks grace. It should have been, addressed as much to his colleagues in the party as to business men. The arrogance of some of the party men, not excluding leaders, is matched only by their colossal ignorance and ineptitude. The latest unfortunate utterance is that of Orissa's Chief Minister himself; luckily, although Mr. Chaudhury expressed the determination of his party to see through nationalisation to the bitter end, he suggested at the same time that it may suffer postponement to Greek Calends!

Mr. Mahatab expressed a profound truth when he observed that history will record only the failure of both the Government and the country including business leaders, and not the respective part played by them. What is wanted now is action, and not mutterings and murmerings of each section against the others and all against Government. The business community, great and grave as have been its faults, has been more sinned against than sinning, and if Mr. Mahatab's example is followed by other Congress leaders, that will all be to the country's good.

* * *

Sydney: U.K. Big Business Views

Opinion seems to be hardening among British big business leaders that the health of the British economy depends a good deal on Britain's nursing her Commonwealth contacts. The National Union of Manufacturers have just urged on the Government the need to study the problem afresh. Coming, as it does, closely after the conclusion of the Sydney Conference, the suggestions of the Union gain significance. A *Statesman* correspondent writes *apropos*:

"Discussion of the whole question of Commonwealth development and trade has been urged on the Government by the National Union of Manufacturers. In its memorandum to Ministers it says: 'A concentrated effort to develop its organization and resources should enable the Commonwealth to supply a very large part of its own needs and in addition to expand its export trade outside the Commonwealth.' By this means, it is suggested, world trade would be expanded, for the Commonwealth would be able to buy from outside on a larger scale. 'But the essential pre-requisite of multilateral trade is freely convertible currency.' Removal of all currency restrictions with the Commonwealth (excepting Canada), with an agreed solution of the problem of the sterling balances, should be the first step."

There seems to be greater appreciation now of the problem of the freezed sterling balances--a point which we in India will duly take note of.

* * *

Developing Tourist Traffic

Early in the week, Mr. K. Santhanam, Minister of State for Railways, opened the Regional Tourist Office for Madras, one of the five offices planned by the Ministry of Railways to serve tourists coming to India.

There are several reasons, as Mr. Santhanam pointed out, why tourist traffic should expand in the future. Man has down the ages been interested in fellow man and his doings and modes of life in different places. Wanderlust has been with him as a primal instinct and for ages, it may be mentioned, he was a nomad. In this age when well developed nations have everything to give and nothing to take by way of agricultural and industrial products, intercourse between the fully developed and under-developed nations could be maintained best on the basis of tourist traffic. Mr. Santhanam properly laid stress on this immediate aspect of tourism.

"One of the most hopeful developments which is calculated to redress the economic maladjustment brought about by the last World War," the Minister said, "is the growth of international tourist traffic." It had been estimated that during 1919 American tourists had spent nearly 300 million dollars in Europe alone. "For those in America and Europe, who want a change from their normal surroundings and who want to see a different culture and civilization," he added, "there is probably no country which can provide as much as India. Her ancient religious and historical monuments, her wonderful hill stations and natural scenery, her great rivers and arts and crafts, customs and manners, offer a variety of interest and charm to sight-seers and students."

It is not merely sight-seeing on which tourist traffic may be based. At the end of his journey, every successful person, be he a business man or a professional, wishes to play the part of a Good Samaritan in some way or other. The pious Christian in America, Germany Switzerland and elsewhere has dedicated much of his earnings to wean the ignorant away from Paganism and give the benefits of Christianity. The missionary activity so rendered possible has also been a potent factor in the settlement of the balance of payments problem between backward and advanced nations.

Service of fellow man in any form offers ample scope for tourism. The Regional Offices may well study the needs and objectives of those who seek their help and promote the expansion of tourism.

The Madras office has, we note, been placed under Mr. R. Parthasarathy's charge. Mr. Parthasarathy is Director of Information of the Government of Madras and he will supervise the Regional Office for Tourist Traffic in an honorary capacity. His intimate knowledge of south Indian life, institutions, customs and ancient lore and relics eminently qualifies him for the office, and his choice is happy in every way.

* * *

Madras: Integrated Food Policy

At long last, we are to have an integrated national food policy. Hitherto, every Province was working in its own way to develop its agriculture; henceforth, each one is so to develop its agriculture as will promote the nation's interests best; its own interests will doubtless be benefited, but through the promotion of the nation's interests. If the genius of a Province--or the State as it is now known--is to grow cotton, that genius will be given full play; if in the process, its food production suffers, the food specialist in the country will go to its help.

This does not mean that self-sufficiency is not to be aimed at, only selfsufficiency should not be at the expense of efficiency in the interests of the nation at large. Thus, Madras has a deficit in her cotton production of 40 per cent. This quantity she imports. The State will now raise 87,000 additional bales of cotton to cover this deficit. If in the process, her food production suffers through the diversion of part of the land under food to that under cotton, the Union Government will make good the deficit.

The cotton mills in S. India consume 6,00,000 of bales of cotton; but the State produces only 4,00,000. The State has allotted Rs. 5 lakhs to purchase and distribute cotton and grow cotton on 50,000 acres brought under irrigation, devoting 5 lakhs of acres for intercrop cotton and raising unirrigated cotton on 50,000 acres.

The grow more-cotton plan need not necessarily be at the expense of food production in the country as a whole. By efficient land utilisation and the allocation of such crops to land as are best suited for it, production of both food and cash crops like cotton and jute may be increased.

Under the above plan, all the land in the country will be deemed to belong to all so that a State which grows a crop surplus to its requirements may not profiteer in it at the expense of States which do not grow the same. In other words, the bitter experience of Madras which had to purchase U. P. rice on exceedingly high rates will not be allowed to be repeated. Measures will be taken to ensure fair-play all round.

* * *

Rao Rejects Foreign Aid

The seductive recommendations made by the U.N Sub-Commission on Economic Development in under-developed countries have not appealed to its Indian Chairman, Dr. V. K. R V. Rao of the Delhi School of Economics, nor to the Vice-Chairman, Mr. Manuel Bravo Jiminez of Mexico.

The resolution containing the recommendations called upon under-developed countries to adopt the following measures, among others, to attract foreign capital: accord non-discriminatory treatment to foreign enterprises in economic fields not reserved on political or social grounds to nationals. Pledge security of foreign persons and property; give assurances that, in the event of taking over of foreign-owned properties by public auhority, foreign investors will receive adequate compensation and that its transfer into currencies acceptable to them should enjoy preference "close to that given to essential imports.

Messrs Rao and Jiminez said, detailed obligations of the type suggested "would be in conflict with the existing legislation and, in some cases, even of the constitutions of a number of under-developed countries." Instead of "contracts" they preferred "the creation of a spirit of goodwill and co-operativeness on both sides". This was a matter which could not be hustled into existence by international codes of conduct governing private investment.

Finance and Planning

The rumours that were set afloat at the time of the resignation of Dr. John Matthai of the office of Finance Minister have now been set at rest, first, by the announcement of Sri C. D. Deshmukh as his successor, and, secondly, by the statements which he and the Prime Minister have made concerning his resignation.

The manner in which the reasons for the resignation were given to the public has by no means been happy. *The Statesman* made these observations on the subject:

"Though his intention may have been to ease the task of his successor, it seems unfortunate that Dr. Matthai, just before laying down office and after Pandit Nehru had already left the capital, should have spoken to the Press about differences on fundamental principles of policy between him and the Prime Minister. The British way of doing things seems preferable. There a Minister who differs on policy to the point of resigning makes a statement in Parliament or writes a letter to his chief. It is, moreover, to be feared that, in the markets, the result of Dr Matthai's action will be loss of the confidence that news of his successor's identity had briefly imparted."

The comment is justified; and, although there may be difficulties in copying the British practice *in toto*, the public should not have been kept in the dark about so important a matter.

On the merits of the issue, Dr. Matthai was undoubtedly right in making it known that he left the Ministry because of his differences. One feels, however, that he would have done better to have taken the Prime Minister's permission to throw more light on it. Now, however, the Prime Minister has taken the public into his confidence by his statement at Trivandrum. The differences arose regarding the Planning Commission. Dr. Matthai seems to have thought that nothing useful could come out of such a Commission now as there is very little for it to do and having but limited resources. Pandit Nehru says that having committed himself to some sort of planning, and the Congress, of which he was the agent, having laid down a plan, it was not right for him to drop the whole thing. After all, planning can do good as much for a resourceless country as for a country with plethora of it. There is force in Dr. Matthai's view that every talk of a plan raised hopes which often proved impossible of fulfilment leading only to the snowballing of discontent. The Prime Minister realises the force of it; but, then—is not he after all the agent of the Congress and bound by its views especially, as in this case, when those views happen to coincide with his own for a large part?

This is undoubtedly a triumph for the party bosses in the background.

Deshmukh as Saviour

Had not the Prime Minister made this victory a mere Pyhrric one fo the bosses, he would have had cause to regret it. With consummate adroitness, he has taken the edge of it by managing to rope in Sri Chintaman Dwaraknath Deshmukh as Dr. Matthai's successor. Deshmukh is not a doctrinnaire; he has every qualification demanded of the office; he knows the pulse of the world of finance in the world's centres no less than in India; he is respected by every section of the country; he is above any suspicion of any sort of intrigue in any sphere; and is a member of the Planning Commission, so that he does not suffer the embarassment which Dr. Matthai felt. That he is the idol of the market-place no less than of the high and the mighty is evident from the manner in which the country has reacted to his appointment.

Sir Chintaman Deshmukh has always preferred to keep his counsel to himself; but he is not a dark horse in the accepted sense. He has inspired so much confidence in all sections of the community that all feel that he may be expected to do the right by the country—the best that wide reading, careful observation, mature experience and consideration for the interests of the public at large could bring forth, and without, as far as possible, prejudice to any interest. He listens to all opinions, but determinedly pursues his own reasoned judgement taking every endeavour to convince you that he is right. Having no axes to grind and devoid of any preconceived notions or prejudices to satisfy, he commands respect for his decisions and, in most cases, acquiescence in them. No party or pressure group will dare seek to deflect him from courses which he deems just.

The above combination of qualities—ability, rectitude, the anxiety and patience to know the other man's point of view, inflexible independence, a patriotic fervour which grasps all opportunities of service without gate-crashing for them—high character—these make of Sri Chintaman Deshmukh na ideal choice for the office in the present parlous condition of the country.

Railway Accidents

The Government of India have done well to publicise their measures calculated to render the operation of railways more secure than it is at present. As Mr. K. Santhanam, Minister of State for Railways, stated recently, the public have become "accident—conscious," thanks, he went on to add rather regretfully as we thought, that the Press was no little responsible for this fact.

Mr. Santhanam's grouse against the Press is, we think. not altogether unjustified, although we are unable to agree with him that the mischief done by the Press consists in noting down every case of accident, however trivial. Such publication need not cause any embarassment to any one provided it is absolutely factual, objective, significant, and set out with a due sense of proportion. It may even be helpful if it leads to an appreciation of the cause of the accident and results in an elimination of such causes.

Baseless Charges

What one should deprecate is the suggestion, recently made by *The Statesman*, of all papers, that accidents arising from causes for which the railways are responsible are on the increase, that the railways seek to disown responsibility for them and use sabotage as smokescreen for their laches and that they are becoming a source of peril to the travelling public, all because of the inefficiency or negligence of the railway authorities. *The Statesman* caught on the Railway Minister's candid broadcast on the situation wherein he faithfully set out the fact that only 15 per cent. of the accidents was due to sabotage and that, for the rest, either equipment, mechanical defect or human factor was responsible. He disabused the public of the idea that accidents were due to the weakness of the track or the locomotives as at present used and enumerated the measures taken to tackle them and prevent recurrence. *The Statesman*, however, pointed out that these measures had not prevented accidents of which there were as many as six since the broadcast, and most of them due to some defect in operation. wrong setting of points, use of defective brakes, and the like.

Now, taking the cases cited by *The Statesman*, how could any one have prevented such accidents, not having pre-vision of them? Supposing the writer in our contemporary were the Transport Chief, how could he have avoided them? He can, of course, take disciplinary measures against railway servants guilty of negligence and he would, of course, look to what was mechanically wrong with the points and the brakes All these things, the Railway Administrations are already doing. And as for the condition of track and suitability of locomotives, the Public Relations Officer of the Calcutta Railways has explained clearly how there is nothing to worry about them and how any lowering of speeds could not add to safety. In the present case, it would have been helpful if *The Statesman* had addressed the railwaymen to avoid negligent conduct and warned them that they cannot expect public sympathy for their claims if they were guilty of negligence Instead of that, our contemporary lectured to the railways on their alleged negligence and sought to turn public discontent against them—the wrong party.

Precautionary Measures Taken

The Railway Ministry have now published their seven-point programme to improve safety in railway operation. Here it is, embodying the measures which suggested themselves to them:

(a) Central mechanical devices are being introduced in the permanent way structure to prevent the removal of fish-bolts and fish-plates at rail joints.

(b) The open lines will be patrolled as considered necessary, by railway and police, with the aid of collective village organisations wherever the latter is feasible. The State Governments are bein gasked to give assisance in increased measure in this respect.

(c) Special attention will be given to granting priority for works required to enhance the margin of safety.

(d) Station working orders are to be systematically examined to ensure that they are clear and are not susceptible to an indifferent railway worker indulging in any movement which might be unsafe.

(e) Railway staff connected or suspected of connection with subversive organisations will be dealt with in a more positive manner than heretofore.

(f) The holding and completing of Government Inspectors' and departmental enquiries into accidents are to be expedited so as to finalise disciplinary and other preventive action in the shortest possible time.

(g) Railway staff found responsible for irregular working, whether this ultimately results in an accident or not, will be more expeditiously and more severely dealt with than heretofore.

If critics of the railways or students of transport problems have further suggestions to make, the Ministry doubtless will consider them.

Duty of the Public

The Railway Ministry's communique refers also to the provisions in the Railways Act concerrning accidents and the measures necessary to enquire into them with promptitude and the publication of the reports of the inspectors who make the enquiry in time so as to serve as guidance for avoiding similar accidents in future. We dare say, improvements may be possible in these provisions; and it is the duty of those who have fresh ideas to make them available to the Railway Ministry. It may be mentioned that the Ministry publishes every half year the reports of Government Inspectors on accidents into which they may have enquired in the period and their recommendations and conclusions.

Wage Movements in Britain

ANALYSIS OF PURCHASING POWER AND AVERAGE EARNINGS

By Herbert A. Turner,
Lecturer in Industrial Relations at Manchester University.

(Exclusive to "Business Week")

The decade up to 1949 saw a considerable improvement in the direction of full employment and improved social security. There does not, however, seem to be much doubt that real wages of workers also rose over this period. The survey of industrial workers' wages published by the Ministry of Labour in March shows that average earnings of all workers rose from 53 sh. 3d. a week in October 1938 to 121 sh. 9d. a week in October 1949—an increase of 129 per cent.

There is no official index of working-class living costs which is adequate for this period, but one or two independent research bodies have maintained fairly good ones. If that of the London and Cambridge Economic Service is used, for instance, for the 11 years 1938 to 1948, it shows that the actual purchasing power of the average wage earned rose by 24 per cent. in that period. A considerable part of this increase went back in increased taxation and social insurance contributions in the latter year. But it would probably not be unfair to say that, on the whole, few workers were worse off than before World War II.

What is more relevant to the immediate situation, however, is the recent history of worker's wages. Here the effectiveness of the "wages restraint" adopted by the Trades Union Congress in early 1948 begins to show in a slowing-down of the upward movement. An estimate of "real wages"—in terms of the purchasing power of average earnings as above—shows that these increased three per cent. between 1948 and 1949. But wage-*rates* only moved sufficiently to match the rise in living costs, so that this increase came from overtime earnings, bonuses for output and other forms of "plus' payments. According to the Government's recently published Economic Survey for 1950, Britain's industrial production increased six and a half per cent. in 1949 over 1948.

Since 1947 the Government has published a revised official Index of Retail Prices, and this, together with fuller information in the Ministry of Labour's half-yearly Survey of Earnings and Hours (for October 1949), allows a much more complete picture of wage-movements from that date. The Ministry of Labour survey brings together available indices of earnings, wage-rates, retail prices and production for the first time, and though the index figures do not relate to exactly the same months of the year—the indices of rates and earnings do not have exactly the same bases—they can be put side by side with sufficient approximation to give a general view.

The figures show a tendency of wage-rates to lag behind prices after 1947. Earnings, however, were moving faster than prices in 1947 and 1948, but were just keeping level with prices in 1949. Over the whole period "real wages" seem to have improved by about six per cent. Industrial production, although the upward trend is subject to seasonal fluctuation, has moved up at a much faster rate.

Government Policy

It may not be obvious at first sight why the increase in production has not been reflected to a parallel extent in earnings. It has, however, been deliberate Government policy to divert as much as possible of the increment of improved productivity to exports and to new investment. The Economic Survey for 1950 shows the degree of success achieved in this. In spite of the mid-1949 dollar crisis and devaluation of the pound, the United Kingdom's overall foreign deficit was less at the end of 1919 than the beginning, and investment was maintained at little below the high level of 1948.

It is also not clear from the indices where the recent pressure for higher wages is coming from, for the figures are averages and cannot give a full picture of the tendency for disparities to develop between relative conditions of different groups of workers. Thus, over the whole period since 1938, wages of women and young workers have improved faster than those of adult men.

A second problem not revealed by the general average is a growing gap between the earnings of time-workers—some 71 per cent. of those covered by the official returns—and those employed on some system of payment by results. Earnings tend to be higher than the national average in industries where the proportion of piece-workers is also higher, such as the vehicle building trades. Stabilization of wage-rates has particularly affected trades where earnings are not tied in some way to production, such as the railways.

Finally there is the position of salaried workers. For their earnings there are no statistics available, but it seems clear that these have not kept pace with living costs to anything like the same degree as those of better organised manual workers.

On a cautious estimate of increasing production, the Government expects some £250 million to be available for additional consumption in 1950 after the other main claims of policy have been met. One uncertain factor is the extent to which the above pressures may be affected by price movements. Although wholesale prices rose six per cent. in the six months after devaluation, the Government does not apparently expect the average general price level of 1950 to be more than two per cent. over that of 1949.

Ways to Improve Film Industry

CENSORSHIP BEFORE PRODUCTION

By Sreemathi S. B. Saroja

One fact which emerges prominently from the evidence tendered by witnesses before the Film enquiry Committee during the last few weeks is that the film industry today is in a most parlous state. Producers, financiers, exhibitors, distributors, artistes—in fact, everyone engaged in the industry—seem, to be handicapped in one way or other.

The complaint of the cine going public, however, is that the quality of films has deteriorated considerably, and that the educative value has been subordinated to the profit motive. The cinema-industrialists, one of the witnesses deposed, spare no pains to produce as worst and as uncultured films as possible, provided they bring in substantial monetary gain, and that all considerations of decency and modesty have been thrown into the winds. The stories are often incoherent, incredible, and removed far away from the realities of life. The dialogues are devoid of any meaning or sense and inferior acting and sex appeal are the main features of the films produced. The romanticism that is shown in the films is very often awkward, unbelievable and contradictory, and calculated to corrupt the morals of the younger generations. Most of the producers and directors do not seem to have any aesthetic sense, so that the cinema, which is a good medium for educating the public on right lines, has become an evil force which will only contribute to the cultural degradation, moral degeneration and mental bankruptcy of the public.

Classify the Films

There are, however, certain simple methods by which the industry can be put on its feet again and the quality and content of the films improved substantially.

Before the content of a film is decided upon by the producer the psychological needs and susceptibilities of people who see it should be studied by a group of experts in education and psychology. Pictures should be classified according to the age groups of the people who see them and a central body of censors may exercise some control over direction.

The type of films released for general exhibition should be sharply distinguished from films for instructional purposes and children's films. If films are so classified there is scope for the free entry of more educated people in the industry and the right type of talent would become available. One of the reasons for the low standard of Indian films, namely, the lack of general education on the part of the people concerned with the art-industry, will also be removed. The fixation of minimum standards of education and training for artistes, producers and directors is also an urgent necessity.

If a distinction is made between films for urban areas and those for rural areas, it will make our films better suited as a means of social education. The establishment of special theatres for the exhibition of documentaries and newsreels will constitute a welcome improvement on present practices.

The Axe in the Beginning

Due to the consistent neglect of the educative aspect of the industry by the Government during the past several decades, several story-writers have now cropped up who could only appeal to the sex aspect and work up the worst elements in human nature. They write ridiculous stories and social dramas which, when screened, will only do more harm than good by exciting sexual emotions. The romantic love-making themes based on the blind imitation of the West have become almost the order of the day. "The average Indian social film," observed the Assistant Sessions Judge of Gorakhpur sometime last month, pronouncing judgment on an interesting case of elopement, "with its cheap romantic themes and love making, which is foreign to the indigenous culture of either the Hindus or the Muslims, sets on fire the susceptible hearts of girls of marriageable age. They yearn for love affairs like those depicted on the screen. The result is that with their imagination heated up by too often seeing love-making of the Western pattern in the cinema but finding no opportunity to indulge in it within the social framework of existing society, they turn to revels." This danger of our girls of marriageable age "turning to revels" by seeing frequently romantic themes and love making in films is still present.—But what is perhaps worse is the utterly demoralizing effects of American stunt pictures on the minds of our teen age boys.

The havoc perpetrated by the systematic dumping of Western pictures on Indian audiences can be avoided if a slight change in the mode of approving a film is introduced by the censors. Instead of approving a film after it is produced, it would be better for them to approve the story first. This change in procedure will not involve any additional expenditure. Producers too will be saved the trouble of being compelled to cut out this portion or that after they have completed screening. In other words, the axe of censorship should largely, or as far as possible, fall in the beginning and in the course of production rather than at the end.

The Government may well invite, as has been suggested, specialists and reputed educationists to write good stories for being screened. The offer of competitive prizes to competent writers may elicit the right type of talent. A list of such approved stories may be prepared, and producers may be strictly instructed to choose their themes from such a list. Government supervision through the agency of qualified experts, while the story is actually being screened, may eliminate some of the anomalies of present-day censorship.

Economic Development of S. E. Asia

SYDNEY CONFERENCE FORMULATES CONSTRUCTIVE PLAN

By David Hayward

In the concluding stages of the Sydney meeting of the Commonwealth Consultative Committee, the Indian delegate, Sir A. Ramaswami Mudaliar, suggested that an outstanding result of the Conference had been that it had shown, in the words often used by Mahatma Gandhi "a change of heart" on the part of the Commonwealth towards the struggling peoples of South and South-East Asia.

Major Achievement

The great and major achievement of this Conference has been the formulation of a plan on solid and realistic foundations for the development of the economic resources of the area with the object of raising living standards and enabling the area to play an increasing part in the promotion of world economic prosperity. This has been a source of special satisfaction to the United Kingdom delegation which has never disguised the fact that it felt that the Conference would fail unless this was achieved. At Sydney during the past week this plan has taken shape and it is now proposed to build on the foundations at a rate that must be considered ambitiously fast considering the problems that must be faced.

During the next three months it is proposed that all countries, Commonwealth or non-Commonwealth, which desire to participate in the scheme should prepare realistic and comprehensive statements showing the economic situations and development programmes of their countries. When these statements have been collected, a comprehensive report will be prepared in September which will set out the collective needs of the area and the resources to meet these needs that are to be found within it and in the Commonwealth countries which are participating in the scheme. In simple terms this report will aim to strike a balance between the needs and resources of the area.

Some critics have attacked the U. K. delegation for insisting that the Conference must concentrate on such a plan on the grounds that it would be likely to slow down the process of bringing aid to the area. All the delegations at the Conference were unanimous that such aid in addition to that which is already being given was essential and urgent but it was the contention of the U. K. delegation that a comprehensive approach to the problem would give speedier, and certainly more lasting, results than one which relied on the continuation of piecemeal assistance as has been given in the past.

Certainly no country has had greater experience of extending short-term aid than has the U. K. She has done so on a vast scale to this very area since the end of the war and it is recognised that such aid given where it is urgently needed is often essential, but it is far from being the ideal approach to the problem and that is why at this Conference the U. K. has insisted that if a durable solution was to be found to the vast problems of the area, planning on an imaginative and realistic scale in addition to short-term aid was absolutely essential.

It has, however, also been recognised that short-term aid may sometimes be necessary particularly before the continuing development plan gets under way and that is why it gave its blessing to the plan for the immediate setting up of a Commonwealth Bureau to facilitate the provision of technical assistance.

Four Phases

Looking back on the Conference one finds it possible to divide it into four phases. The first ran its course before even the formal opening of the Conference and consisted of meetings and committees of officials who did much preliminary work on the questions which their leaders were going to discuss and succeeded in clearing away many initial misunderstandings.

This was, in fact, a most important part of the Conference, for at such a meeting which is called together to consider economic solutions for economic problems the experts are of great importance, and at Sydney all the delegations were fortunate to have strong teams of qualified advisers.

The Conference itself opened with the second phase, when the delegation leaders stated generally what were the problems of their countries and advocated solutions for their own problems and those of the area generally. This phase lasted for a day-and-a half after which the discussion moved into more detailed channels. During this period the delegates considered specific problems concerning the development of the area and ways in which it might be assisted, and formulated proposals which formed the basis of the Conference's final report and recommendations. Finally, during the last 36 hours both delegates and officials were engaged in resolving the remaining points of difference and in drawing up the report of the Conference.

Differences of opinion as to the objectives of the Conference and the urgency with which the problems must be tackled there were none, and those that did occur were on the methods which should be adopted and were speedily settled by friendly and reasoned discussion.

This Conference has once again shown that members of the Commonwealth have a tremendous ability to reach sensible compromises. Thus, four months after the idea that the Commonwealth should make its special care the economic problems of South and South East Asia was launched at Colombo by the Australian and Ceylon Governments, a constructive plan has been devised which must give renewed hope to the peoples of the area and a real opportunity for the vast economic resources of the area to be developed efficiently and for the essential raising of living standards.

U.S. Cotton Improvement Scheme

ADVANTAGES OF ONE-VARIETY PROGRAMME

By Davenport Steward.

The new cotton improvement programme in the American South has increased the yield and assures excellent crops for years to come.

In the course of the current agrarian revolution in the southern section of the United States—in which more and more attention is being given to diversified farming, cattle, and forestry—cotton has not been forgotton. The cotton states of the American South, together with the western states of California and Arizona, produced a near-record 1949 crop.

The acreage devoted to the staple, however, probably was about half that which once was planted in cotton; and this cut is largely due to the one variety cotton improvement programme sponsored by the U. S. Bureau of Plant Industry and the various State agricultural extension services.

Of 1,000,000 cotton farmers in the production belt about 350,000 are enrolled in associations advocating one variety of cotton. About 90 per cent. of the 1949 U. S. crop was produced from four principal varieties time-tested in the 18-year-old improvement programme.

Much of the seed used was Deltapine, Stoneville, or Coker 100. In California there is a State law which prohibits planting any cotton other than Acala, and this strain is popular also with planters in the State of Arizona.

The California law relative to Acala is not as arbitrary as it may sound. By sticking to one satisfactory variety, California has not been plagued, as southern States have, with hundreds of strains of cotton. Seed has not been mixed in California cotton gins and the crop annually is of uniform kind and quality.

Story of the Experiment

The one variety programme was launched in the American South in 1931. It was based on the California plan. The head of the cotton division of the U. S. Bureau of Plant Industry advocated such a programme as early as 1910. For some time before 1931 the cotton mills of the United States and of other countries had been complaining of the poor quality and lack of uniformity of southern cotton. In a survey made 30 years ago, it was found that about 1,200 varieties of cotton were being planted in the southern cotton States. Not more than a dozen kinds of cotton are planted today. A comparatively new strain which shows much promise is Empire, developed at the State of Georgia Agricultural Experiment Station at Griffin.

The dozen varieties of cotton now grown have these characteristics in common: medium-length staple, superior quality fibre, and high tensile strength. The staple averages from 1 inch to 1 3/32 inches. The famous old Sea Island variety, grown in the southern States of Georgia, South Carolina, and Florida in the days before the boll weevil appeared, had staple from 1½ to 2 inches in length. Now, for the first time since the last war, there is sufficient approved seed to go around.

Record Production in Georgia

Under the one-variety programme, ginning communities organize to grow one chosen variety. Thus in the same State a community in one section may elect to grow Stoneville because it flourishes better and a community only 50 miles away may find Deltapine or Coker 100 is the strain best suited to its soil and climate. An effort always is made to sign up farmers 100 per cent. in this volunteer programme.

The Haralson Community in Georgia may serve as an example. In 1948 it won the silver trophy offered by the Cotton Manufacturers' Association of Georgia. It had to travel a long way to lead the State in quality cotton production; for in 1934, when the farmers of the region signed up to test the programme, Haralson's production record was the lowest in the country. Haralson farmers started out with Stoneville, but switched to Empire, which is a selection from Stoneville No. 2. A U. S. Department of Agriculture agronomist at the Georgia Experiment Station originated the strain.

The 1948 award to Haralson Community was based on the 1947 crop. In that year, the community had 2,024 acres planted to Empire; the yield was 1,476 bales of about 500 pounds apiece—a per-acre average of 365 pounds of lint or 119 pounds more than the State average for 1947. Cottonseed yield was 192 pounds above the State average.

The 39,072 Georgia farmers in the programme in 1948 picked 613,000 acres for 383,425 bales. Total State production was approximately 760,000 bales. In the same year, farmers growing one variety of cotton averaged 34 pounds of lint per acre over the State average and 55 pounds over the State average in seed.

Back in 1921, Georgia had close to 3,600,000 acres in cotton, with a per acre average yield of 108 pounds; in 1948, fewer than 1,3?0,000 acres were planted with cotton and the per-acre average yield was 279 pounds. Thus, in the period between 1921 and 1948, production went by 171 pounds an acre, while average dropped by approximately two-thirds.

There were an estimated 25,000,000 acres planted with cotton in 1949 in the United States. Some estimates are as high as 27,000,000. In 1948 more than 14,000,000 bales were produced on about 23,000,000 acres.

Growing Use of Machinery

The removal of many tenants to urban areas is one contributing factor to the growing use of machinery. Now, the machine is gradually pushing out that old stand-by of the American cotton farmer, the mule. There doubtless will come a day when most cotton will be cultivated and picked by machinery.

—*The Christian Science Monitor.*

U.S. Business in 1950

U. S. Treasury Secretary, John W. Snyder, sees 1950 as a year of general economic health for the United States. Snyder told a bankers' convention recently that, in his opinion, there is sound basis for confidence in the business outlook for the nation. "We are well into the second quarter of this year, and it is becoming evident that 1950 will be one of the most profitable business years in our history," he said.

The Secretary remarked briefly on several economic indicators as follows:

Production—Industrial production is not only back to last year's level but is now rising in contrast to the decline last spring.

Prices—Business profits this year are less likely to be held down by inventory losses since commodity prices have shown a firm trend for nearly a year and inventories have been greatly reduced.

Capital Goods—New orders for machinery have been rising sharply since the third quarter of 1949.

Construction—New construction contract awards for non-residential building were 30 per cent. higher than in the same quarter last year and the increase is widening. New home construction is at the highest level in our history.

Automobile Output—In only one month so far have we exceeded the 1929 peak in our output of passenger automobiles. And again we must remember that we have 30 million more people today than in 1929.

Incomes and Savings—Ability to buy is evidenced by the current record level of personal incomes, which continues to run well over the $200,000 million mark. Liquid assets of individuals amount to over $200,000 million, in contrast to only $68,000 million when we entered the war in 1941.

Sales—Total retail sales, in actual unit volume, are running about six per cent higher than a year ago.

Snyder added that while the growing labour force is one of the "biggest assets for future progress" new jobs must be developed as the population continues to increase, if the highest level of prosperity is to be maintained.

United Nations' Campaign Against Misery

By John Yard

Inspired by President Truman's "Point Four" Programme, specialized agencies of the United Nations have made new plans for giving technical aid to under-developed countries and for fighting hunger, disease and poverty.

"If trade does not cross national boundaries, eventually armies will."

The ambitious new United Nations programme of technical aid to under-developed countries is the blueprint for releasing a flow of prosperity into the world's breeding places of despair. The detailed plans have required months of labour by the Economic and Social Council and the specialized agencies of the United Nations. It is their answer to President Truman's famous "Point Four" challenge to "world-wide effort for the achievement of peace, plenty and freedom."

The United Nations had previously offered limited technical advice to member nations while the United States has been spreading agricultural "know-how" throughout South and Central America. The President's inaugural address in January 1949 dramatized the plight of the people in the under-developed areas, and the danger to world security of leaving them behind.

In the General Assembly of the United Nations, support for the new U. N. Programme of Technical Assistance came quickly, from Soviet-bloc nations as well as from the West.

Programme of Assistance

The U. N. Programme of Technical Assistance is a pincer movement with two main columns advancing against human misery. The first will be directed toward help in building native industries; the second—and perhaps the most important—toward developing methods for getting more food out of native soil. Alongside these two fighting columns will go specialists in many allied fields. Engineers will give advice on power facilities, transport, and housing. Public health doctors will combat causes of disease and epidemics. Education experts will cope with illiteracy and train city and farm workers in new skills.

Self-help is the keynote of the campaign. There will be no hand-outs for Governments, nor even canned foods for the hungry. Experience has proved that these methods do not work. In fact, there will be no help at all, unless the nation asking it shows good faith by mobilizing all its own resources for raising the living standard. In most cases, such countries will meet a third of the costs for expert advice on modernization.

No Speedy Remedies

Industrial development in the under-developed areas may take a long time. It will have to wait on capital investment. These countries must start in a small way, as the United States once did. Industries will slowly reproduce their own capital, and expand as purchasing power increases. Hardest to find will be the management skills which are important and difficult to impart.

Only by slow growth can a people find the forms of industrial progress best suited to them. As one observer put it: "What makes modern industry is ultimately not the machine, but the brains which use it. To regard it as an ingenious contrivance, like a mechanical toy, is naive to the point of absurdity"

Yet there is overwhelming need for grafting new habits of life on the old. This is especially true in Asia, where more than 1,000,000,000 people dwell under sub-standard conditions. China, Burma, Indo-China, Thailand, Malaya, India, Afghanistan, Iran, Iraq, Syria, and Palestine, shall have their urgent problems.

Home industries and thriving handicrafts in Asia have everywhere been swept out of international trade. New products must be developed which by their consumer appeal, their price and quality, at least can compete in domestic and inter-Asian trade.

In many parts of Asia, Africa, and South and Central America, the people have insufficient food despite the fact that half or three quarters of them till the soil. Ancient farming methods fail to meet the task of providing for ever-increasing population. More effective tools and small-scale implements, better seeds and fertilizers would work miracles. Sometimes it is the human health factor that must be changed. People who are constantly victims of malaria, dysentery, typhus, or cholera, cannot adequately provide for themselves.

U. N. Technical Assistance will attack these industrial and rural problems judiciously, being careful not to create city slums or underpaid workers.

The role of the specialized agencies is great. Only industrial expansion will be handled directly by the U. N. Secretariat. Even here, the agencies will have much to do. For instance, the International Labour Organization (ILO) will advise on standards for employment, wages and hours, worker safety, social security, and labour relations. It will also perform similar functions in respect of technical aid for rural areas.

Role of F. A. O.

Farmers everywhere in the world are concerned with such things as soil and water, crop plants and animals, pastures and feed stuffs, tools and materials, and some source of power—whether muscle or machine. And the Food and Agricultural Organization (FAO) has had wide experience in helping them. It has given advice on irrigation and drainage to Egypt, Lebanon, Greece, China, Peru, Siam, and Poland. It has made soil management surveys in South and Central America, South-east Asia, and Italy; surveys on needs for farm machinery in Poland and China. It has studied problems of rice growing, insect control, and the stamping out of locust plagues. In many areas it has had successful projects in livestock and poultry improvement, reforestation-logging, and modernization of age-old fishing techniques.

It is therefore natural that the Food and Agricultural Organization should handle the whole agricultural end of technical assistance. This will include training of rural extension workers, and guidance in setting up rural cooperatives for soil management, insect control, purchase of machinery, and many other things. FAO will advise Governments how to help their farmers with marketing problems.

FAO's new proposal for setting up a world-wide commodity Clearing House is distinct from the U. N. Technical Programme. But, if accepted by the Governments, it may help combat famine in some of the under-developed areas. Food surpluses exist chiefly in hard currency countries. There may soon be surplus wheat in North America, sugar in Cuba, rice in some parts of Latin America. The Clearing House would purchase these surpluses, and sell them, either at a reduced price in a currency acceptable to the supplying country, or at the going rate in the currency of the receiving country. Inconvertible currencies built up in the Clearing House would be used to expand world trade in other commodities. FAO would thus serve as a "bridge" between lands of plenty and those of want.

Fighting Disease and Death

Mal-nutrition, filth, and ignorance are major causes of disease and death in many regions. And the role of the World Health Organization in Technical Aid will be second only to that of FAO. The medical experts will aim at coping with far more than outbreaks of diphtheria, smallpox, or yellow fever. Their major approach will be on the constructive side: showing local authorities how to set up Boards of Health, maternal and child health clinics, and venereal disease services. They will suggest ways of improving local nutrition, sanitation, and public understanding of health care. Demonstration teams will set up projects for control of malaria, plague, cholera, and venereal diseases, and will move on to other areas as soon as a local staff is able to take over.

In various regions the World Health Organization has already achieved a magnificent record on wiping out malaria. Its ultimate purpose is to eradicate this and other insect-borne diseases from the entire world, by simultaneous spraying campaigns in areas where malaria prevails.

Three-quarters of the world's population are still victims of diseases resulting from poor sewage disposal, unsafe water supply, uncontrolled insects, and inadequate protection of milk and food. Infant mortality from these causes is appalling. Yet experience in Mexico, in the Amazon Valley, and in Venezuela has shown that cost of a community water supply is one-fifth that of carting water for sale into the village square.

Teaching and demonstration are thus important features of the health programme. In these the United Nations Educational, Scientific, and Cultural Organization (UNESCO) will have much to contribute. It is prepared to offer advice to Governments in overcoming illiteracy, and in giving adults training in many subjects—health care, farm methods, and rural industry—by means of films, exhibits, and radio as well as books.

The International Civil Aviation Organization (ICAO) will help chart air routes to span jungles, mountains, deserts, and water barriers where other forms of transport are difficult or impossible. It will aid Governments to set up ground installations. Finally, the International Bank will advise on the feasibility, costs, and other financial aspects of these many reconstruction and development plans throughout the world.—*The United Nations World.*

No Government can be long secure without a formidable opposition.—Disraeli.

Our Plantation Page

(FROM OUR CORRESPONDENT)

Cochin, May 28, 1950

The last meeting of the present Coffee Board was held at Bangalore in the second half of this month and an important decision concerning the distribution of Pool proceeds was taken.

Higher Price for Robusta

The Marketing Committee of the Board decided to recommend to the full Board the principle of payment on the basis of what each variety of coffee brought into the Pool. From 1942, ever since a central marketing organisation was created, payment was on the basis of an arbitrary price schedule for each variety and grade of coffee. The 1948-49 robusta crop was an exceptionally poor crop and it fetched an abnormal price throughout the season which was not controlled by the Board. On the basis of the income so derived by the Pool, the robusta growers advanced the claim that they should be paid approximately what their coffee brought into the common Pool. In December last, the differential was raised to 58 for that variety, but the robusta growers agitated for more. The Board has now decided that the issue price should be brought down to the original level prevailing before December last, and for the 1948-49 crop a payment of 62 points per cwt. of robusta flat may be made. For future purposes, the Board accepted the principle that payment should be equated to what each type of coffee brings into the Pool. The robusta growers might have the bitter taste of a back-lash when production of this variety expands, as it now does, at a rapid rate and the market reacts with lower prices. As it is, the quality Arabica Plantation A is fetching about Rs. 120 per cwt. more over the basic price in the out-markets compared to Rs. 40 above what robusta fetches in the local market.

Coffee: Prospects for 1950 51

The 1949-50 crop is now estimated to be above 20,000 tons as against the previous estimate of under 19,000 tons. This justifies the increased allocation for export made earlier in the year and assures that there will be about 800 tons to carry into next year after having issued 1,500 tons per month to the internal market,—100 tons more than previous issues. The Board has re-affirmed its resolve to hold the internal price at a moderate level, and not to take advantage of the world scarcity of coffee. The 1950-51 crop will be far below previous forecasts, the official estimate being 19,660 tons. Last December, the planters talked of a crop exceeding 30,000 tons. Mysore had bad weather, and that is one reason for the drop. But there has been rains since then, and, I believe, some of the planters are hoping for a bumper crop despite Board estimates.

Madras, Kanpur, Ahmedabad and Sholapur will have Indian coffee Houses this year, according to a decision of the Propaganda Committee.

Pepper: Effect of New Tariff Rate

The Government have notified their intention to raise the tariff value of pepper from Rs. 200 per cwt. to Rs. 400. The 30 per cent. duty at this rate would be equivalent to 20 per cent. at the current market price. The foreign buyers have already protested, as have our traders here. As long as Indian price is competitive in the world market the reasonable duty on the price now prevailing for pepper cannot be objected to. But, Lampong may produce about 8,000 tons this season, and there has been a currency reform in Indonesia The influence of these two factors may very well upset the world pepper market. In fact, a gradual fall in pepper price is no calamity, and is to be welcomed, but it does look as if Government is too late with the duty.

Alleppey shipped 145 tons of pepper in April, all to U.S.A., and Cochin 203 tons, of which 195½ tons were for U.S. ports. Speculative trade in pepper continues at Bombay where last week 137½ tons were sold to U.S.A. at 1½ cents per pound below the produce markets here. Bombay has become an important re-export market for pepper. In January, over 16,000 cwts. of pepper valued at over Rs. 91 lakhs were shipped from that port. In value, it was 3½ times the price in preceding January, and in quantity it exceeded the total sent in the first quarter of 1949.

PHOENIX CEILING FAN

Alternating Current 220/250 Volts, Single Phase & 50 Cycles.

Type	Sweep in inches	Watts at full speed	R.P.M.	Air delivery in cft per minute	Price F.O.R. Destination
Phoenix	60"	64	215	13,650	Rs 204
"	56"	62	225	11,200	Rs. 186
"	48"	53	240	9,050	Rs 173
"	36"	50	315	6,660	Rs. 136

Direct Current-220/250 Volts.

Type	Sweep in inches	Watts at full speed	R.P.M.	Air delivery in cft per minute	Price F.O.R. Destination
Phoenix	60"	46	230	14,700	Rs. 198
"	56"	40	240	13,150	Rs. 185
"	48"	35	270	10 830	Rs. 170
"	36"	27	375	7 840	Rs 138

Each fan is supplied with one regulator, one-foot down rod with hanger and insulator, one canopy and one set of blades.

Manufactured: by The Engineering Works of India Limited, 96, Chowringhee Square, Calcutta.

BENGAL LAMPS

1. Vacuum Lamps

Prices per dozen.

Watt.	Caps	Clear Rs. As. Ps.	Inside frosted Rs. As. Ps.	Daylight Rs. As. Ps.	Natural Colour Rs. As. Ps.
5	SC/BC	16 8 0	...	...	24 12 0
10	"	15 12 0	...	...	23 10 0
15	"	13 2 0	13 14 0	17 7 0	19 11 0
20	"	13 2 0	13 14 0	17 7 0	19 11 0
25	"	13 2 0	13 14 0	17 7 0	19 11 0
30	"	13 2 0	13 14 0	17 7 0	19 11 0
40	"	14 4 0	15 0 0	18 15 0	21 6 0

2. Gas-filled Lamps

Watt.	Caps	Clear Rs. As. Ps.	Inside frosted Rs. As. Ps.	Daylight Rs. As. Ps.	Natural Colour Rs. As. Ps.
40	SC/BC	15 12 0	16 8 0	21 0 0	23 10 0
60	"	16 11 0	17 7 0	22 5 0	...
75	"	19 14 0	20 10 0	26 7 0	...
100	"	23 13 0	24 9 0	31 11 0	...
150	"	39 12 0	...	53 0 0	...
200	"	60 0 0	...	80 0 0	...
300	G.S.C.	72 12 0	...	...	...

MAKERS: The Bengal Electric Lamp Works Ltd., Calcutta.
VOLTS: 110; 220/230, 240/250.
FINISH: Metal-Filament Drop Shape.

ELECTRIC FANS

	SWEEP	WATTS AT F. SPEED	R.P.M.	AIR DISP. Cu. ft. p.m.	PRICE WITH REGULATOR EACH
1 KASSELS (Patent) A.C. 220/250 Volts single phase, 50 cycles, Capacitor Type.	48"	40	260	9,550	Rs. 180/-
	56"	52	250	12,150	Rs. 19./8/-
	60"	55	220	13,500	Rs. 210/-
	72"*	68	190	16,000	Rs. 238/-
Kassels Regulator Resistance Type					Rs. 17/-
2 ANAND All-Electrical Sheet Stampings De Luxe A.C. 220/250 Volts, single phase, 50 cycles, Non-Capacitor Type.	36"	52	330	6 800	Rs. 135/-
	48"	48	240	9 200	Rs. 174/-
	56"	66	220	12,200	Rs. 188/-
	60"	70	215	13 500	Rs. 205/-
	72"*	75	168	16,000	Rs. 23./-
Anand Regulator Choke Coil Type					Rs. 19/-
3 LUCKY A.C. 220/250 Volts, single phase, 50 cycles, Non-Capacitor Type.	36"	58	330	6 660	Rs. 125/-
	48"	63	240	8,550	Rs 163/-
	56"	72	230	11,850	Rs. 173/-
	60"	75	220	11,900	Rs. 184/-
Lucky Regulator Choke Coil Type					Rs. 19/-
4 AZAD D.C. 220/230 Volts.	36"	27	350	7 500	Rs. 138/-
	48"	32	260	9,500	Rs. 170/-
	56"	40	230	12,600	Rs. 187/-
	60"	43	228	13,905	Rs. 198/-
	85"*	60	145	21,000	Rs 234/-
Azad Regulator Resistance Type					Rs. 17/-

*The above prices, inclusive of one foot down rod and regulator are F.O.R. Madras and are subject to alteration without notice.

Rates for "Raja" Toilet Products

"RAJA" Snow—Rs. 162 0-0 per Gross, Case of Two Gross, less 12½ per cent & 5 per cent. Rs. 259-5 3 per Case of Two Gross nett.

"RAJA" Hair Oil—Rs. 216-0-0 per Gross, Case of Half a Gross, less 12½ per cent & 5 per cent, Rs. 89 12-0 per Case of Half a Gross nett.

"RAJA" Hair Fixer, Large—Rs. 162 0-0 per Gross, Case of one Gross, less 12½ per cent & 5 per cent. Rs. 134-10-8 per Case of one Gross nett.

"RAJA" Hair Fixer' Medium—Rs. 126 0.0 per Gross. Case of One Gross, less 12½ per cent & 5 percent. Rs. 104-11-9 per case of One Gross nett.

"RAJA" Kasturi Soap Large—Rs. 90 0 0 per Gross, Case of Two Gross, less 12½ per cent & 5 per cent. Rs. 149-10-0 per Case of Two Grtss nett.

"RAJA" Kasturi Soap Small—Rs. 54 0-0 per Gross, Case of Two Gross, less, 12½ per cent & 5 per cent. Rs. 89-12 6 per case of Two Gross nett.

"RAJA" Bar Soaps—(Bar of 12 oz.) Rs. 114-0 0 per Gross. Case of Half a Gross, less 12½ per cent & 5 per cent—Rs 59-13-6 per Case of Half a Gross nett.

"RAJA" Agarbathi—Rs. 72-0-0 per Gross Packets of 2 Tolas each, less 12½ per cent & 5 per cent. Rs. 119 11-3 per Case of Two Gross packets nett.

"RAJA" Face Powder—Rs. 144-0-0 per Gross, Case of One Gross, less 12½ per cent & 5 per cent. Rs. 119-11-3 per Case of One Gross nett.

F. O. R. BANGALORE for orders not less than a case at a time. 5 per cent. extra for orders less than a case; Minimum value must be for Rs. 100-0-0, Full nett value of the order should be remitted along with the order, by way of Bank draft payable at Bangalore.

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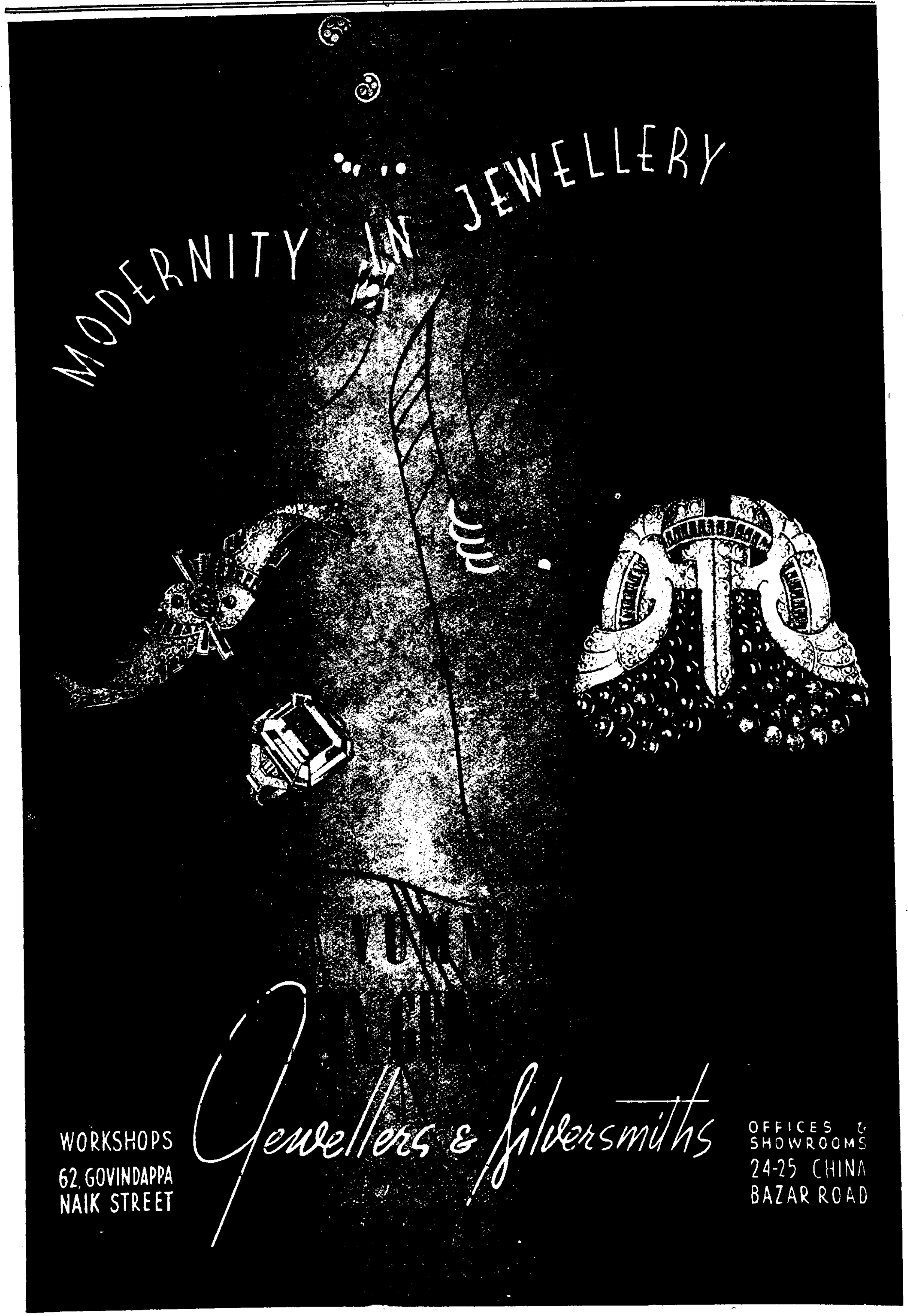

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Dr. John Matthai has sown the seeds of some of the conditions the fulfilment of which is essential to the proper functioning of parliamentary democracy.

We are perhaps yet to get all the circumstances that led to the sacrifice of Dr. Matthai, but the fatuous defence put up by Moulana Azad of the Prime Minister's action argues that Dr. Matthai is cent. per cent. right in the stand he has taken and that the Prime Minister is cent. per cent. wrong. The ex-Finance Minister has sustained three principles by his resignation. These are: (1) Parliamentary democracy is such as does not admit of responsibility being shared with persons outside the Cabinet. Any sort of dual loyalty such as the functioning of the Planning Commission on the lines laid down by Pandit Nehru implies, is fatal to the supremacy of Parliament and therefore incompatible with parliamentary democracy. (2) Treasury control which challenges every item of expenditure and insists on proper sanctions for it is of the essence of clean finance under a democracy and neither party bosses nor political favourites can be exempted from it. (3) Any talk of planning today must necessarily be, as is indeed admitted by Azad, mere window-dressing and that if it served for the moment as a stimulant, the reaction subsequently will be disastrous to all and not merely the party bosses.

The most sorry part of the whole episode is the non-chalance—some would say impertinent arrogance—of the Prime Minister in dismissing his ex-colleague's suggestion that the country deserved to be taken into confidence regarding the full reasons for the resignation (or is it dismissal?) by the issue of a joint statement.

We have few among us who can be reckoned as acceptable public censors; we hope in that few Dr. Matthai will serve as one, rendering a service of which, as Dr. C. R. Reddy once deplored, we are so much "in short supply."

CONTENTS

Business Week India

VOL. III No. 26

NOTES AND COMMENTS

Extortionate!

Great as are Mr. Rafi Ahmed Kidwai's achievements and universal his reputation for new ideas, we must protest against his growing tendency to become extortionate. The inconvenience and, truth to tell, the national loss occasioned by his Sunday postal holiday are of a magnitude of which he has no conception. Let that go.

What are we to say of his new edict that a letter posted on Sunday must bear a late fee of one anna in addition to the express delivery fee of two annas? Post cards posted on a Sunday will cost $3\frac{3}{4}$ annas.

This is really intolerable. How can a Government which professes concern for the common man charge so much for his card?

* * *

Pakistan: Economy Drive

The Pakistan Government appear to be keener on effecting economies in their expenditure than we in this country seem to be. Drastic cuts may be made of the frills and decorations in the administrative set up.

The Pakistan Government's Economy Committee has made its preliminary report to the Government suggesting "economy with efficiency," and in some cases recommending amalgamation or division or wholesale abolition of Ministers.

The suggestions include the abolition of the Economic Affairs Ministry and the Statistics Division of the Food Ministry. The Committee has expressed the view that the offices of the Controller of Imports and Exports should be made self-sufficient by imposing fees on applications.

A sub-committee has been appointed and directed to examine the details of economy in the Civil Aviation and Central Engineering Departments.

The Committee has recommended that while no further retrenchment should be made, expansions of Ministries or departments should be "checked."

The task which the Committee has set for the Administration is by no means easy. What happened to Mr. Hare Krishna Mahatab's scheme to retrench superflous staff in the Industries and Supply Ministry may happen in Pakistan also. The Government will have to provide employment to the retrenched personnel in some walk of life. As Bacon observed in one of his essays, starvation is the nursery of sedition.

On this account, economy drives cannot be abandoned if we are to avoid ruin and disaster. An efficient drive for austerity all round is the only means of getting over the crisis.

* * *

Census: Yankee's Example

The coming All-India census, it would appear, would be more purposive and meaningful than it used to be in the past. Next year's count, we note, will provide answers to many questions regarding the economic condition of the people and the extent of literacy prevailing in the countiy.

Questions 9, 10 and 11 in the census enumeration form dealing with economic status will elicit information as to whether a person is self-supporting or otherwise and, if self-supporting, the number of persons depending upon his earning. Persons who earn but are unable to make both ends meet will be classified separately.

Information will also be sought regarding the principal and secondary means of livelihood of different classes of people. In the case of those living on agriculture, the enumerators have to note down whether an individual is an absentee landlord, one who owns and cultivates his own land, one who cultivates rented land, or is merely an agricultural labourer.

Information will also have to be furnished whether a person is gainfully employed or unemployed. If unemployed, the duration of unemployment up to a year has to be mentioned.

The census will classify literates and illiterates in the following categories: Those unable to read and write, those able to read but not able to write, those who can both read and write and, lastly, those who have passed examinations and hold degrees.

The census will also reveal accurately the extent of refugee population in the country. In the column dealing with displaced persons the district of origin of the refugee has to be mentioned.

This is all to be thankful for. Nevertheless, we are yet to reach the efficiency achieved by the Yankee. Our readers will have an idea of how marvellous is the U.S. system and how immensely informative it is from all points of view from the article on the American census published by us elsewhere in this issue.

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The Nilokheri Experiment

The co-operative idea has achieved much in the past century and more may be expected of it. It has not been a success everywhere and in all societies. If we remember this fact and realise that co-operation cannot be a panacea for all economic ills, it will conduce to a better and more correct appreciation of the possibilities of the movement.

With this reservation, we should like to draw attention to the experiment now being made at Nilokheri in the Punjab, about 80 miles from Delhi. Mr. N. V Gadgil, Minister for Works and Mines, recently visited this new and rising co-operative township. Addressing the staff and workers of the Nilokheri Co-operative Society, Mr Gadgil said that their efforts to build a co-operative society might prove to be the basis on which "the future Indian society and the Indian community may be modelled."

The conception of social ownership of the means of production, Mr. Gadgil said, was something worth studying in relation to the achievement of the objective of equality of opportunity embodied in the Constitution.

The township is being built under the control of an autonomous statutory body on a co-operative basis, where the workers would control the means of production and would be co-sharers of profits.

Referring to the co-operative experiment being carried out in the township, Mr. Gadgil said: "I saw to-day that which I have not seen elsewhere. There is no construction work done here which is not related to some definite social function and economic activity. It is not merely an attempt to give some shelter to those who have suffered and have been displaced as a result of the partition. Here is an attempt to build up something on the pattern of which the future Indian society and the Indian community may be modelled."

Declaring that the workers had to imbibe a new spirit to build a co-operative society, Mr. Gadgil said: "The type of men and women who are required to do this work must possess the zeal of a missionary, the precision of an engineer and the vision of a poet." "Up till now certain motives have been operating in society. Obviously, these have no validity in the context of the future we visualize. Workers are expected to work not in the spirit of the time scale increment in wages but with the feeling that they work in factory or in a field which is their own and the profit or loss is to be shared by all of them."

Mr. Gadgil said that it was hard to cultivate new habits but hoped that just as "a dyer gets his own palms dyed in the process, similarly, as you work this experiment your minds will also develop and your new ideas will take shape the organization that you a setting up here for productio distribution and consumption on co-operative basis." The whole India is watching them and the experiment, as the Minister f Works and Power observed.

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"Out of Print!"

One of the difficulties whi business men and others who ha to do with the Government me with very frequently is that finding out what the rules a regulations are which govern th activities or other obligatio Take the simple question of incon tax. This is regulated by an A and a number of departmen rules, instructions and guidance. These used to be brought out in a convenient volume—the Income-tax Manual.

Of late, however, this handbook has ceased to be of any use even if it is available. What a Northern India citizen has complained of in his newspaper is applicable equally to South Indian citizens. He points out the urgent need for bringing the Income-tax Manual up to date and of issuing correction slips of all amendments, notifications, orders, etc., which should form part of the Manual.

"The manager of publications has recently supplied," he says, an Income-tax Manual which contains amendments not later than September 30, 1949. Similar Manuals have been supplied to the Income-tax officers and other officers of the Department." "The difficulty experinced by the officers, practitioners and the public in the absence of up-to-date correction slips," he adds, "is great and each one in his own sphere is liable to make mistakes for want of easy access to the latest law. Since the taxes on incomes form the largest source of revenue, it is only fair that all amendments, notifications, orders, etc., available to the public and officers are given special attention and the relevant literature should be printed in adequate quantities in order to avoid the reply "Out of Print."

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Banks and Housing

Is it right that commercial banks should interest themselves in housing schemes meant for evacuees and make use of their funds for financing housing schemes? If it is, subject to what conditions?

These questions arise from a press note issued recently by the Rehabilitation Ministry. The Rehabilitation Ministry has concluded negotiations with a bank in regard to the floating of a housing company immediately in Delhi, according to the press note.

The company will have an authorised capital of Rs. 50 lakhs, of which 50 per cent. will be offered for subscription. A sum of Rs. 25 lakhs will be subscribed by Government and Rs. 5 lakhs by the bank. Government will invest 51 per cent. of the capital and 49 per cent. will be open to public subscription. The company will be registered as a joint stock company.

To begin with, the company will have five directors, four of whom will be nominated by Government and one by the participating bank. Government have nominated Mr. Bakshi Tek Chand, M P, Lala Yodh Raj, of the Punjab National Bank, and Rai Bahadur Bawa Nath Singh, retired Chief Engineer, Punjab, as advisers to the Board of Directors of the company.

Similar companies will be floated in other States where housing schemes have to be implemented for displaced persons.

Banks doubtless have got a duty of helping people who, in the past, were their clients, but who, as a result of the partition, find themselves penniless. But such help should be rendered subject to well defined conditions. Banks should satisfy themselves that the venture is a good risk Experience of co-opertative housing schemes in our State subsidised by the State does not prove that they will always be be good risks.

* * *

Secretariat Re-organisation

From the press accounts of the manner in which the report of Mr. N. Gopalaswami Iyengar on secretariat reorganisation was disposed of by the Government, it appears that all his efforts have practically gone to waste. The cardinal points in the report were the reorganisation of the ministerial portfolios and the creation of four Bureaus to deal with the subjects entrusted with the Ministers. The Prime Minister appears to have brushed aside the former as impinging on the Premier's right to have the number of Ministers he requires and determine the portfolios they should be entrusted with. No one will seriously suggest that the Prime Minister's right to create new Ministries or appoint a larger number or reduce the existing number should be restricted. In Britain, these Ministries have however got stabilised into rationalised ones without impinging on the right of the Prime Minister to add to or subtract from the number of Ministers. It would be a travesty of the constitutional rights of the Prime Minister to state however that he is entitled to go on without rhyme or reason splitting the portfolios as often as he likes and in whatever manner, and abolish and add to Ministerial posts without the fullest discussion of such changes in Parliament. In Britain, the creation of new Ministries and abolition of existing ones are not done by the *ipse dixits* of the Prime Minister for the time being. It would be considered an exceedingly preposterous claim if the Prime Minister claims to do what he likes and when he likes with the great departments with which are associated the various Ministries in a rational manner. The right to effect changes is not a right to reduce administration to a chaos.

The reluctance of the Government to create Bureaus is also not explicable. Such bodies which develop into fountain heads of factual and expert knowledge posted with precedents and rules and conventions are of the highest importance in democracies where the political heads are laymen and not experts. The success of democratic government is conditioned by their existence. We take it that the Fiscal Commission will have something to say about this.

* * *

Match Industry Handicapped

We can well understand the grievance of the manufacturers in our country in regard to the abolition of railway priorities. The ability of the railways to abolish priorities system without detriment to trade and industry was universally welcomed because it was thought that few will suffer by the abolition. It was also noted that the Government retained the system in respect of certain essential traffic. The match industry claims that such priority should be extended to the match industry as well.

The reason why priority was extended to the match industry is well known. It is an industry which depends for its raw materials on far-flung places. The softwood necessary has to be transported over long distances *as and when required*, for, the wood would deteriorate if stocked for any length of time. Other industries might store their raw material, cotton, metals and so on. But stockpiling of softwood is impossible, for unless used immediately it is felled, it will be eaten away by white ants and will not stand easy splitting and processing. It is for this reason that the industry had been allowed a measure of railway priority. That reason continues to be valid and should be respected by restoring priority right to that traffic.

Another grievance of the industry is that it suffers from lack of regular supplies of softwood at reasonable prices. The forests of India have been depleted dangerously as a result of the war and in this war, softwoods have suffered as much as hardwoods. Nevertheless, the regeneration policy of the Governments do not take note of this fact. The Forest Departments do not consider softwoods worth planting and teak and other hardwoods are preferred to the exclusion of softwoods. The economics of this policy are doubtful. For, though teak is more valuable than pines and softwoods, the latter are more easily raised and possess a larger turnover of crops so that they tend to become more economic in the long run.

* * *

Wheat Trends

The ceiling price fixed for wheat under the International Wheat Agreement has become ineffective in world conditions and it looks as though it will not be long before wheat prices topple down. Canada, Australia, Argentina, and the United States as a matter of course find that the sellers' market has disappeared and they must reduce their prices if custom is to be kept.

Two factors have brought about a change in the situation. The first and the most important is the willingness of Russia now to enable the pre-war granaries of Eastern Europe to feed Western Europe as they used to do in the past. This reduces the demand for non-European wheat. Argentina is also now agreeable to accept lower prices and accept orders from world markets at reasonable margins of profit. These suppliers are bound to lower the demand for American wheat at current prices or indeed at prices which farmers in the New World will accept as fair to them in the light of their price parity measures.

If the United States withdraws price support, then, world prices will sharply move down. If she does not, what will she do with her surplus? Nobody desires a sudden catastrophic fall, but farmers cannot perpetuate their ill-deserved monopoly gains for any length of time. They will necessarily have to shift on to producing things which the world requires.

The situation is critical, much more for prosperous America than for the adversity-struck, war-worn, centuries-exploited, old countries emerging from political dependence.

(Contd. on page 492)

should be levied on exports from one State to another and on essential articles of life. The President of the Republic of India by virtue of an Ordinance gave powers to the State Governments to withdraw such taxes at their discretion before April, 1951. It is yet to be seen when in the light of this Ordinance the Government of Madras will abolish sales tax on the sale of goods exported outside the State and on foodgrains, vegetables and such other essential commodities.

It is admitted on all hands that controls had led to corruption and economic maladjustments in our country and their administration has been found extremely difficult which has brought considerable discredit to Government. Controls in a democratic country can be in operation only during a temporary period of emergency and such a period may be said to have already elapsed in this country. Increase of production of agricultural and industrial goods can be the only sure means of remedying the economic ills of the country, and any amount of control over distribution channels cannot correct the situation or bring happiness to the public.

People are disgusted with controls and the volume of public opinion against their retention has been growing, and the time has come when Government can no longer postpone the consideration of steps which will gradually result in the elimination of the controls now choking up the channels of trade and restore full, free and normal business activity before long.

Concessions to Foreign Capital

GOVERNMENT OF INDIA'S ANNOUNCEMENT

The Government of India have decided to grant certain concessions to foreign investors in respect of their investments made in this country subsequent to those granted in the beginning of this year. The Press Note announcing the concessions runs:

The Government of India have now decided that the following principles will govern repatriation of foreign capital invested in India by residents of countries outside India. The repatriation of capital owned by residents of Sterling area and Norway, Sweden and Denmark will be freely allowed.

2. In respect of capital owned by residents of countries other than those mentioned above the following relaxations have now been decided:

(i) Capital invested after January 1, 1950 in projects approved by the Government of India may be repatriated at any time thereafter to the extent of the original investment and from the proceeds of that investment.

(ii) Any part of the profits derived from investments and ploughed back into projects with the approval of the Government of India may be treated as investment for the purpose of permitting repatriation.

(iii) Appreciation of any capital invested under (i) and (ii) above, would not qualify for repatriation and the amount available for repatriation will be restricted to the amount of rupees originally invested or ploughed back. In the case of investment by means of goods and services the amount will be the rupee value of such goods or services as recorded in the books of the company or firm concerned at the time of investment.

(iv) Such repatriation facilities would not apply to purchase of shares on the stock exchange unless it is an integral part of an approved investment project.

(v) The above repatriation facilities would not apply to capital owned by residents of countries other than those mentioned in para 2 and invested in India before the 1st January 1950.

3. All applications for investment of foreign capital in India as well as repatriation may be made to the Reserve Bank of India who will refer them to the Government of India and obtain their orders.

The essence of the scheme is that new investments of foreigners approved by the Government will have the right to repatriate such of their capital as they originally invested and the legitimate profits therefrom and not capital appreciation or additions arising out of inflation. In other words, where the Government have approved of an investment, the principal so invested will always be entitled to repatriation on reasonable terms without loss. Such capital will carry the normal risks and profit by such risk-taking. Thus, the Government of India have done away with one of the grouses of foreign capitalists and fulfilled an essential condition insisted on by their spokesman recently in the *Political Science Quarterly*.

Views of American Spokesmen

These spokesmen, William Harvey Reeves and Paul D. Dickens, both Americans, discussing the conditions of foreign investments as a means of world economic development, observe that capital will best perform its function by inducement and not by coercion. The willingness to take economic risks, they point out, has always provided and still provides the principal argument in favour of the capitalistic system. "The imposition of rigid controls or fear of seizure is not part of business and economic risks; and there is no way to insure against resulting losses. When such fear appears, private capital will fail to foster needed economic developments; and this in turn will force the governments to assume these risks." That is the way to Socialism or Communism.

Many of these risks to foreign capital by imposition of controls could be eliminated merely by government fiat.

"If it is not feasible to remove all at once, then it can be done by announcement of purpose, by specific policy as to new investment, by further relief when announced goals have been reached, until step by step freedom of enterprise is once again realized. It should be apparent then that controls are related only to abnormal conditions. As economic defence and economic warfare they have been effective; as a system of world trade they have failed. Capital so controlled has not led to economic abundance."

A survey of world investment opportunities, they point out, leads to simple and obvious conclusions.

"The United States is ready, able and willing to supply, through private means, an incalculably large amount of capital and industrial knowledge. Foreign countries need and want this capital. They can expect it only on terms that give enterprises a reasonable opportunity to make profits and reasonable assurance that next year and for years to come the capital will be theirs to risk and gain therefrom. It is not necessary, nor is it expected, that capital will be free of all restraints; but the restraints must be reasonable and non-discriminatory. The private enterprise system has much to offer under-developed countries in the way of material advantage—increased national income, education, a higher standard of living—which are the tangible bases for an intangible development in the dignity of man."

Capital by its very nature, they say, is international, and it flows freely over national boundaries when those seeking it create conditions to attract it. The Government of India announcement provides an essential guarantee and should suffice to attract substantial sums.

The Economic Situation

MR. GUNTUR NARASIMHA RAO ON PRICES, LABOUR AND TAXES

A number of events of far-reaching importance have taken place in the course of the past nine months and affected the economy to a great extent.

Nearly nine months have elapsed since the rupee was devalued. We have before us some material in the light of which the effects of devaluation on exports and imports and internal price levels can be examined. Our export trade to such countries as have not devalued their currencies has very considerably increased since September last, although this rise in exports is not solely attributable to the effects of devaluation. There is no doubt some increase in the prices of goods including foodstuffs and raw materials during the past nine months which appears to be due to other factors. Devaluation on the whole has not adversely affected the internal economy of the country, observed Sri Guntur Narasimha Rao addressing the annual meeting of the Andhra Chamber of Commerce last week.

Balance of Payments

The balance of payments position of India, Mr. Narasimha Rao added, was extremely acute in September last. The adverse balance of trade amounted to Rs. 150 crores in 1948-49 and it was realised by the Government that no country could afford to draw on its reserves or on its borrowings to finance imports for any length of time. In order to bring the situation under control Government introduced very severe restrictions on imports into the country and steps were taken to encourage exports. A glance at our foreign trade figures since September last, however, would show that the balance of trade position has taken a favourable trend in November, 1949 and has since then been improving. In order to maintain this our exporters must take all possible steps to improve quality, standardise production and introduce novel methods to expand the markets for Indian products in foreign countries.

It is a paradox that the prices of commodities are mounting up even though there is a slump in general business activity and the money market is tight. The present high prices of cereals are to a large extent responsible for the increase in the general price level. Unless prices of food articles can be brought down, wages of labour cannot be reduced and the high costs of production lowered. The pre-war prices were unremunerative and they offered no incentive to production. The present prices are too high and they have been retarding production on account of high costs of manufacture. Government should aim at bringing down the present inflated prices and stabilising them at reasonable levels which will offer the incentive for production and lay the foundation for the building up of the country.

It is estimated that there is at present a deficit of nearly 40 lakhs tons of foodgrains per year and a sum of Rs. 148 crores was spent in 1949 to meet this deficit by imports from abroad. It is understood that in the current year the Government propose to import only 15 lakhs tons of foodgrains as against 37 lakhs tons of imports in 1949. The saving of foreign exchange resulting from reduction in food imports will be of the order of Rs. 90 crores.

Government have taken on hand a heavy programme for the coming 1½ years to increase production of foodgrains by reclaiming about 20 lakhs acres of land, constructing about 3,000 tube wells and intensifying methods of cultivation. There are also other methods of meeting the food shortage such as avoiding wastage by proper conservation. As regards rice it is estimated that the out-turn from milling can be increased by about 7½ per cent. if a simple change over to the hullers of the Japanese type is effected.

Industrial production has largely recovered and has been showing signs of definite upward trend in the course of the past nine months. According to the figures of the output of various industries now available it can be observed that except jute and cotton textiles, most other industries including iron and steel, cement, coal and paper have registered considerable increase. If labour legislation in a poor country like India contemplates the introduction of costly schemes of reforms, it will cripple industry, raise costs of production, increase the price of goods and in the long run retard the industrial and economic development of the country which will hardly be in the interests of Indian labour itself. There is, therefore, need for caution in making labour legislation and introducing labour welfare schemes.

Taxation

The present level of taxation which is a legacy of the World War II is very high and is imposing a crushing burden on industry and trade. There was no doubt ample justification for high taxation during war-time when profits were at their peak levels. But after a steep fall in profits it is not wise to continue the taxes at the previous levels. No doubt, the Capital Gains Tax and the Business Profits Tax which were imposed during war-time and the continuance of which could not be justified on any ground were rightly abolished by the Government of India. This is not enough; it has also been admitted by the Government of India that there is real need to overhaul the present structure of taxation in the country. It is necessary to frame the tax structure of the country in such a way that it will stimulate initiative and enterprise and also reward industry and thrift.

Taxation at present by the State Governments and the Government of India is proceeding on chaotic lines and there is absolutely no co-ordination between the Centre and the States in respect of various taxation measures It is laid down in the Constitution that no tax

(Contd, on page 490)

Building Industry in Britain

WORKING PARTY'S RECOMMENDATIONS

By Ellen McCullough,

Secretary, Britain's Transport and General Workers' Union

(Exclusive to "Business Week")

In the United Kingdom, which suffered so much from air raids in World War II, the building problem is a particularly acute one. War-time neglect, the rising birth rate, increasing production, and the growth of social services are factors which have led to a much greater demand for houses, factories, and public buildings. Since April, 1945, more than a million families have been re-housed and factories and schools completed to the tune of £100,000,000.

Despite this impressive progress, it was felt some time ago that a still faster pace was needed, and in July, 1948, a "Working Party" was appointed to enquire into the organisation and efficiency of Britain's building industry, and to make recommendations. The 12 men who did the job are directors of building firms representatives of trade unions and associations of employers, an accountant, and an economist.

They examined what was happening in the United Kingdom, and some of them visited Sweden and Holland. Close touch was also kept with the building team which was sent to the United States by the Anglo-American Council on Productivity.

In the Working Party Report on Building published recently, it is made clear how the industry felt the full shock of war-time changes, and met the full force of post war demands. It is also shown how the industry is particularly sensitive to the stresses and strains arising from the general economic situation in Britain.

Output and Cost

The report is noteworthy because employers and workers in an industry whose industrial relations have not always been happy and whose work has been subject to public criticism, have sat down together, examined their industry without seeking to excuse themselves or blame anyone else, and put forward practical suggestions which can be implemented now.

They found, in the first place, that productivity in the building industry in 1946 and 1947 was about 67 per cent. of its level before World War II: later it improved, and by the end of 1949 had risen to about 80 per cent.—In the United States, experience was roughly the same, though recovery was quicker: productivity fell there to 70 per cent. of the average for the years 1924-1929 and rose to 81 per cent. by March 1949.

Next, costs had risen to about two-and-a-half times their 1939 level by the end of 1948, though there seems to have been an improvement since. Overhead costs plus profits are nearly three times the pre-war figure, labour costs have risen rather less sharply, and materials cost a little over twice as much.

Aftermath of war

Some of this fall in output and increase in cost is due to temporary and unavoidable war-time causes, the effects of which are already passing. For instance, "...during the war the industry lost a large part of its experienced labour, and for six years the normal process of recruitment and training was interrupted." This, of course, affected the efficiency of management, as well as of operatives. During and immediately after World War II, the large proportion of repair and maintenance work, and the poor quality of material available, adversely affected the development and preservation of skill. The abundance of work, the absence of competitive buying of raw materials, and the protection afforded by "variation clauses" in contracts all helped to encourage, on the part of employers, "complacency in the face of rising costs."

Anxiety to get people housed led to the launching of a vast programme of building work "without adequate pre-planning". The revision of this programme and the effects of devaluation and changes in the capital investment programme, all gave rise to feelings of frustration and uncertainty in the industry. The largest single cause of the fall in building productivity, says the report, has been the shortage of building materials, and the resulting interruptions in the flow of work.

There are some remaining problems, however. These arise from full employment and the regulation of building in connection with town and country planning. The Working Party emphasises the need for effective pre-planning, research, and improvements in costing methods.

Incentive Schemes

The Working Party also recommends the increased use of incentive schemes (experiments have shown that these can increase output without sacrificing quality) the establishment of joint production committees, the extension of welfare schemes, and the development of technical and managerial training.

In a country as densely populated as Britain planned control of land use and building is to some degree essential. The Report recognises the necessity for planning regulations, but says that since these have developed side by side with other restrictions due to war time conditions and exceptional shortages, the actual forms of control (licences, permits, and so on) are very complicated, particularly where more than one authority is involved.

No government can be long secure without a formidable opposition. – Disraeli.

The Village Oil Industry

By M. Lloyd Carlton, B.A.
Manager, The Malabar Chamber of Commerce

The Village Oil Industry Survey Sub-Committee of the Indian Oilseeds Committee has issued a draft interim report of its findings which is circulated for comments. The author who is closely connected with the industry offers his criticism on the report with special reference to the copra-crushing industry in villages and the mill-crushing industry in urban areas.

The copra-crushing industry, whether operated by country chekkus in villages or by power mills in cities, has shockingly deteriorated from the position it occupied immediately after the war. The coconut economy of the country demands that this aspect should be immediately examined and action taken to assist the industry to develop if we are to save the consumers from increasing dependence on imported oils and bring down the exhorbitant prices of oils.

The crushing industry in the villages, operated by ante-diluvian contrivances called chekkus (Ghanis) which crush some 18 lbs of oilseeds for 12 hours working, against modern expellers with an average out turn of 2½ tons per day, can hope to seek a place only so long as our village economy remains stagnant as at present, without the facilities of proper communications, transport, electricity and other modern amenities. Even in this latter and sorry state, serious and persistent efforts must be directed to introduce the Wardha type Chekku or other improved types, in order to maintain an equilibrium between rural and urban economy, instead of crying hoarse against the competition of the mill crushing industry.

Urban vs. Rural Economy

But before attempting to convert the village crushing contrivances to improved types of chekkus, as suggested by the Oil-seeds Committee, it is desirable to assess correctly the future economic development plans of the various States and Union Governments, now in the making. In so far as Madras is concerned, we have been assured of an ambitious project of road communications connecting villages to Provincial and District roads; we have also been promised rural electricity, water supply and irrigation systems. If these big schemes materialise within the next five years as envisaged, then progressive rural economy will not be content to crush oil-seeds by bullock-driven chekkus, but automatically power-driven rotaries shall have invaded rural parts. In this context, one cannot share the emphasis laid by the Oilseeds Sub Committee to check the growth of the mill-crushing industry with a view to foster the development of Ghani crushing in villages. Such an emphasis is both undesirable and futile; it is tantamount to preventing the growth of urban industrialisation because our rural economy is not able to make any progress. In all future planning schemes, it is very essential that village economy should be made complimentary to urban economy, and never opposing and divergent in policy.

Limits to Co-operation

The Sub-Committee has suggested that the setting up of new mills should be regulated and restricted by a system of permits, giving first preference to Co-operative Societies. This recommendation is objectionable from the view-point of urban economy. In principle, it seeks to regulate the number of mills in relation to the estimated capacity of crushing ghanis and mill rotaries. In practice, the operation of mills or ghanis does not depend upon the capacity of crushing alone; the operation depends on a number of economic factors like the capacity of the industry to stock oilseeds, the finance behind it, the supply available, the condition of crops, etc. If the permits are to be regulated according to the crushing capacity of mills and village chekkus in the area, both urban and rural economy will be thrown out of gear.

The recommendation of the Sub-Committee to give preference to Co-operative Societies is also very objectionable. Such a patronage will precipitate a conflict between urban and rural economy; between co-operative ideology, on the one hand, and industrialisation, on the other.

Pegged on to Government patronage, Co-operative Societies become converted into monopolistic agencies, sacrificing the quality, price and efficiency factors to the detriment of the consumers and conflicting with the interests of the established trade channels of urban economy.

At present the ratio of villages to urban areas in India is highly disproportionate, so much so that a colossal organisation has to be set up that will reach our thousands of villages, each small and insignificant units, located far distant apart.

Cess on Oil Mills

In order to organise the village oil industry the report has suggested a cess of one pice per pound of oil extracted in the mills. The Sub-Committee has not made it clear whether the copra crushing Mills which are already paying cess to the Indian Central Cocoanut Committee will be exempted from the proposed cess to be collected by the Oilseeds Committee. In addition to this cess collected from oil mills in South India, another cess is being collected from crushing mills in places where regulated markets are functioning. Apart from the payment itself, the collection of cess by bodies like the Oil seeds Committee, will cause hardship and frustration to oil mills in urban areas.

The more you say, the less people remember. The fewer the words, the greater the profit.

—Fenelon.

Census-taking in U.S.

By Sam Shulsky

A population count in the United States is expected to yield 50,000 pages of facts about the American people. All information given to the census-taker is treated as confidential. Inaccuracies are few considering the size of the job. The net result is a description of the people of one of the largest countries in the world.

In the spring of 1950, the United States Bureau of the Census in Washington, D.C., will ask the American people about 50 personal questions—questions about their age, place of birth, their education, and many other things. When the census takers start knocking at doors some day in April, it will be the seventeenth decennial census that has been taken in the United States since 1790, the year after George Washington became the first President of the United States.

Purpose Defined

The census not only is a direct offspring of American democracy but is, in fact, directly linked to American freedom. The 10-year count is specifically ordered in the Constitution. Article I, Section 2, states: "The actual enumeration (of the people) shall be made within three years after the first meeting of the Congress of the United States and within every subsequent term of 10 years." The reason: To determine the population of each State and hence the number of Congressmen to which it is entitled in the House of Representatives.

The census reminds the American people that they are one of the few nations on the face of the earth that still retains so much personal freedom that their Government finds it necessary to count the population once every 10 years to find out not only how many they are, who they are, and where they are, but how they are faring.

The taking of the census is one of the most spectacular and important jobs of Government—which it should be, since it inventories a valuable asset: Manpower. The entire operation is directed by the Bureau of the Census; a branch of the U.S. Department of Commerce presided over by Director James C. Capt. Between the 10-year census intervals his permanant staff collects data for the Government on housing, business, agriculture, mining, etc. As 1950 approached, it expanded and, during the month of April, when every person in the United States must be counted, Director Capt will have more than 150,000 working for him.

Before starting on the big effort, Director Capt will have picked a supervisor for each State or group of smaller States and brought them to Washington, D.C., for training. Each State or census area is divided into a number of districts with district supervisors in charge. The State managers call them all together to get their instructions. They then go back to their districts and, in turn, instruct the actual door-to-door counters, the enumerators.

Map-making Job

While all this was going on, the Bureau's map-makers have been getting ready by dividing the Nation into enumeration districts. The Bureau has a vast collection of maps and aerial photographs of various segments of the United States gathered from both private and Governmental sources. They show in detail the more than 3,000 counties and the almost 17,000 incorporated towns and cities as well as the larger un-incorporated places. They include large-scale maps of cities and towns, county highway maps, topographs, soil, postal-route, and even local gas-, electric-, and telephone-company maps.

It takes, for example, well over 5,000 pages of maps, bound in 56 large volumes, to cover the city of Chicago, metropolis of the American Midwest. Eighteen hundred volumes are needed to give the data on 475 of the larger cities and 8,450 of the smaller towns. When the map-making job for the 1950 count is finished, there will be a million of these plans—enough to fill 10 boxcars. The end result of all this charting will be 150,000 small, individual, and different maps—one for each canvasser and each outlining an area he can cover in the alloted time—2 weeks in the cities and a month in rural areas, or at the rate of 15 minutes per home.

Before the count gets under way, all media of public information will be used to acquaint the American people with questions the canvasser will ask them. Because the farmer is asked two to three times the number of questions put to the city dweller, he will be advised in his own magazines and country newspapers to prepare exact figures on his egg and milk production; how many geese, sheep and pigs he has. In fact, millions of sample forms will be distributed to farmers in advance of the actual count so that they can get all the facts down on paper.

Promise of Secrecy

On April 2 the census "army" starts ringing doorbells. The enumerator begins by (1) impressing on the householder that he represents the Government and that therefore this is a job all must share, and (2) by displaying a card that says, "Your reports to the Census Bureau are CONFIDENTIAL." (In the Census Act of 1929 this guaranty was strengthened by the passage of an amendment: "In no case shall information furnished under authority of this Act be used to the detriment of persons to whom such information relates." And the phrase "in no case" means other branches of Government, too.)

Anyone refusing to answer the inquiries of a census taker is liable to a fine not to exceed $100 or 60 days in prison, or both; and anyone who wilfully gives false answers is liable to a $500 fine or a year in prison, or both. But not a single person in the United States, in all the 160-year history of the census, has ever been convicted of either charge.

The American Government's promise of secrecy is no idle one. It has been tested successfully several times. Time and again the Internal Revenue Bureau has sought income data but has been turned down, even in the case of persons suspected of evading the income-tax law, or of having illegal earnings.

On the other hand, census information has been used constructively in reuniting families long separated. Confidential files have been opened to confirm doubtful citizenship and to gain pensions for many older people who have no other proof of their age. No fewer than 600,000 persons annually get help from the Bureau for these purposes.

Associating the Data

The enumerator faces a fine of $1,000 and a 2-year prison sentence if he talks about anyone to his neighbours. And the same is true of the transcribing clerk who reduces to a series of holes punched in a card all the data he has been given on income, education, divorces, and re-marriages, and many other things. These are the only two persons who can associate the data they were given. After them everyone becomes a nameless card that is passed back and forth through many, amazing computing machines. The card may show that a man lives in South Bend, in the midwestern State of Indiana, in a two family house valued at $12,000 on which he owes $9,500; that his wife is a college graduate but that he never went beyond primary school; that he works in an automobile factory, and many other items. In fact, the punches on the card can be used to show any number of combinations of facts up to the figure 3,657,262 followed by 42 ciphers. But nowhere does a name appear.

This is the card that carries the bulk of the Census Bureau's burden For months it is shuttled through the hundreds of machanical mental giants. At every step it adds some part of a personal story to the over-all picture of a town, county, state, region, and finally, the Nation as a whole.

Within a few months of the completion of the enumerators' job, the shuffling of the cards will yield the answer to the first and most commonly asked question: "How many people live in these United States?" The president will give that information to the Congress in 1951 so that any changes necessary in the representation of States in the House of Representatives will be made in time for the 1952 elections. Under present law the number of Representatives is established at 435. There is not much likelihood that Congress will vote an increase of membership. What is most likely to happen, however, is that a re apportionment of Representatives among the States according to new population figures will take place. The great migration to the western part of the United States during World War II will doubtless be shown here in black and white for the first time.

Cathering other Facts

As rapidly as possible, other facts will be gleaned from the cards and released. But even with these high-speed computators it will take 3 years for the full story to be written. (In 1880, the analysis took 7 years.) When it is, it will run to 70 volumes, totalling about 50,000 pages. Although never given the prominence enjoyed by the actual population count itself, these other facts are now the most important reason behind the census job. The American Government and many thousands of business-men, insurance companies, statisticians, social organizations, educators, doctors, and scientists want to know the answer to many questions.

Some of them are: What has been the shift in size of the various age groups? (Educational facilities, life-insurance rates, and pension funds will be affected by the answer to this.) Has the farm-to-city movement engendered by high war-plant wages continued, been halted, or been reversed? Are farms growing in size and decreasing in number or vice versa? (Planning in such fields as food, real estate, and school and road building will be influenced by the answer) Do women outnumber men, and how many of each between the ages of 21 and 40 are still unmarried? Must a girl go to Alaska where there are 145.7 men to every 100 women or can she approach that advantageous ratio somewhere in the United States proper?

If special interests had their way, there would be thousands of questions on the inquiry sheet instead of the 50 now found there A manufacturer of hair rinse would like a breakdown on the number of blondes, brunettes, and redheads. The lightning rod salesman would like some data on how many farm-houses and barns are unprotected by his product; religious societies would be interested in a count of Bibles; and the clothing trade could use some statistics correlating height and weight figures.

But there is a limit to how many questions an enumerator can ask and still cover, on the average, about 1,000 persons during his allotted time. To weed out the special-interest questions (6,000 were submitted for the 1940 census, and as many, if not more, were mulled over in preparation for 1950) and yet retain the ones that will give economists and statisticians as much data as possible, the Census Bureau's own experts first eliminate the irrelevant questions, arriving at what they consider a

(Continued on page 497)

Electric Bulbs Industry

Since the first factory to manufacture electric bulbs was established in Calcutta in 1932—The Bengal Electric Lamp Works—the industry has expanded considerably. It received a stimulus through the last war when the demand for lamps increased by leaps and bounds. As internal production increased imports of necessity dwindled.

Production and Imports

At present there are 13 lamp factories in India, 6 of which are in Calcutta, 1 each in the U. P., Bangalore and Patna, 3 in Bombay, and 1 in Madras.

In 1949, a total of 13,560,000 bulbs were produced compared with 8,114,575 in 1946, 7,620,000 in 1947, and 9,246,350 in 1948. At present, the capacity for production has been estimated at 18 million lamps per annum, though this target has not yet been attained.

As regards imports, the pre-war average amounted to nearly 13 million lamps per annum. The following are the post-war figures:

1939—40	12,805,830
1940—41	10,416,743
1941—42	10,528,840
1942—43	8,162 614
1943—44	1,267,857
1944—45	3,257,070
1945—46	10,239,803
1946—47	7,866,970
1947—48	13,364,622
1948—49	18,482,024

The main countries from which lamps are imported are the U. K. and the U. S. A. The following figures give an indication of the type of lamps imported from these two countries.

Electric Glow Lamps and Gas-filled Lamps: Total imports were 1,584,387 in 1947—48. The total imports in 1948—49 amounted to 2,268,803.

Vacuum Electric Bulbs: Total quantity imported in 1947—48 were 3,595,133. In 1948—49 the total of such imports dropped to 1,947,238.

Electric Bulbs for Torches:—A total of 14,099,953 were imported in 1947—48. In 1948—49, the total of imports was 26,611,609.

Problem of Raw Materials

The future expansion of the electric bulb manufacturing industry in our country is tied up with the manufacturing of a larger proportion of the raw materials required by the industry. We are at present dependent on foreign countries for the supply of most of the raw materials. The most important of these are: glass shells, tungsten filament, capping cement, lead-in wire, brass caps, mandril wires, molybdenum wire, glass tubing and rods, and gases, such as nitrogen and argon. The only item that could be produced in India immediately is glass shells, but even in this the indigenous supply can cater to the needs of only three factories, and the balance has to be imported. Steps are now being taken to produce some of the other raw materials such as brass caps.

The prospects for the further development of this industry are bright. The market is almost unlimited, and scientific research laboratories are already working in Calcutta. There is plentiful supply of skilled labour, and cheap electricity will become available as soon as our hydro-electric projects are completed. The production of gas may also be taken up.

As a result of the untiring research undertaken by the Bengal Electric Lamp Works, it has become possible to improve the quality of our products, which today are in no way inferior to the best imported foreign lamps. Indian lamps have already built up a reputation for reliability, and the quality of bulbs produced compare favourably with the best types imported. The needs of street lighting in Calcutta, Madras, and other cities are met largely by Indian firms, and already several municipalities, and Government and public institutions are patronising Indian products.

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Continued from page 496

sensible list. Their decisions are reviewed by nationally known statisticians and technical experts from various citizens' groups and by labour and business committees. Even those questions asked in previous counts are re-examined to see whether they are still of value.

The Enumerator's Task

Even with their jobs reduced to only effective questions, the enumerator's lot is far from easy. In addition to having the persuasiveness of a door-to-door salesman, he must have the stamina of a mountain goat. In cities he climbs stairs all day and keeps an eye out for unfriendly dogs. In the wide-open spaces he may spend a whole day getting to some trapper's shack. And in Alaska, where freezes and thaws must be taken into account, he has to start his work a full 6 months early in order to be finished in time. Those working in sections where there are foreign-born individuals are generally chosen for their ability to speak two or three different languages and the dialects thereof. More than a score of languages are used. —*Family Circle*

India to Exhibit Her Wares

PARTICIPATION IN CHICAGO TRADE FAIR

Thirty tons of air frieght, 60,000 pounds, are being assembled in Bombay for the First United States International Trade Fair, which will be held in Chicago, next August 7 to 20, 1950. This air-load from Bombay to Chicago is considered one of the largest peace-time air shipments by Mr. E. R. Dreves, Transportation Director of the Fair. In addition to the air-freight, transportation is being arranged for approximately 75 to 80 persons to accompany the merchandise scheduled for display.

Although a complete list of the products which will be flown to Chicago for the Fair has not been announced, merchandise will require nine or ten booths of about 120 square feet each for display purposes.

Transportation is also being arranged in Bombay for merchants, manufacturers and their products by the Continental Freight and Transport Bureau.

Action being taken by firms in India is indicative of the world-wide interest being centered upon Chicago and the First United States International Trade Fair.

In addition to United States exhibitors who will present their products before an audience of international buyers, producers in thirty-nine different countries have already reserved space. Before the Fair opens in August, producers from more than fifty different countries will have arranged to exhibit in Chicago's leading exhibition halls according to negotiations now in progress.

Goods covering the entire range of consumer and industrial equipment will be shown, including many products which have never before been on exhibit in that country. These will include many products which have been developed since the end of the war.

Firms from Asia, the Far East and Africa will be represented among those at the First United States International Trade Fair. Among nations in that area having reserved space to date are: Hong Kong, Japan, Ceylon, India, Korea, Afghanistan, Egypt, and the French North African countries of Tunis, Algeria and Morocco.

Carved ivory wares will be shown by Tsang King Kee Ivory Factory of Hong Kong; gems by Kohinoor Trading Co. of Colombo, Ceylon; and Korean necklaces, embroideries and other handicrafts by Tong Hyung Co., Ltd. of Seoul, Korea. Cotton and textiles, as well as jewellery, ivory inlaid merchandise and other products will be shown by the Royal Egyptian government. Afghanistan products to be exhibited by Afghar American Trading Co., Inc. will include: furs, fur goods, wool, rugs, carpets, sheep intestines, pistaschio nuts, fruits, native costumes and handicraft, minerals, raw materials and jewellery.

Problem of Landless Labour

There has been a rapid growth of landless labour during recent decades in our country. The 1832 census returned their number as 7.5 millions; it rose to 21.5 millions in less than three decades, and in 1931 the number per thousand cultivators increased from 254 to 417. Though accurate figures are not available as yet, according to authoritative quarters, the number of landless labourers at present is somewhere between 60 and 70 millions, or nearly one-third of the number engaged in cultivation.

These teeming millions of landless labour are scattered, illiterate and unorganised and constitute one of the factors of our deteriorating national economy. The sample survey made in Bihar recently has revealed that they spend more than what they get, that they are employed for only about five months in a year, that they have hardly any alternative source of income, that the average debt amounts to about Rs. 200 per family, and that as a result of low wages they are always faced with the threat of unemployment and continued semi-starvation.

An inquiry into agricultural labour conditions instituted by the Government of India is now being conducted in several parts of the country. The survey is likely to conclude by the end of the current year, and relevant legislation may be undertaken. But all this will take time, and relief for the worker should by no means be delayed. The swarming masses of rural unemployed in our country are being subjected to all sorts of pernicious influences, and landless workers in desperation taking to ways of violence is a possibility. If the abolition of landlordism should benefit the peasantry the problem of landless labour must be tackled immediately by providing them with subsidiary sources of income through promotion of rural and cottage industries, organisation of co-operative farming methods, stabilisation of wages, guaranteeing a minimum wage for specified types of work, creation of new jobs by means of land reclamation and settling down landless labour in them, etc.

If in the industrial sector in urban areas the number with insufficient work and lamentably insufficient money to meet the essential expenses of meagre living is on the increase, unemployment, under-employment, mal-nutrition, and serfdom are on the increase in the agricultural sector too. Loss of common rights in the rural economy, disuse of collective enterprise, sub-division of holdings, multiplication of rent-receivers, free mortgaging and transfer of land, and decline of cottage industries are also other disturbing factors to be reckoned with.

—T. R. S.

State Aid for Film Production

WORKING OF FINANCE CORPORATION IN BRITAIN

By Stephen Watts,

British film critic and broadcaster

State aid for films continues—and remains to some people—total folly, and to others an imaginative and laudable governmental policy. The first report of Britain's N. F. F. C. published recently is a reminder to the film industry that in the end it must help itself. The final sentences read: "But whatever the Corporation may be able to do, its financial operations cannot be more than a measure of expediency. The lending of money will not bridge the gap between income and expenditure."

Until 18 months ago taxpayers' money in Britain had never been invested in film production, except for documentary pictures aimed at furthering national trade interests, such as the Empire Marketing Board, or stimulating war-time effort. To-day the State investment in films is nearly £5,000,000.

To some people the idea of Government money going into anything so speculative as the commercial cinema was, and is, abhorrent. To others, it represents the only hope for the survival of Britain's film industry.

It was in the summer of 1948 that the President of the Board of Trade announced the formation of a Government agency to finance films. Preliminary organisation was tackled at once, and early in 1949 the National Film Finance Corporation, backed by a special Act of Parliament, was established with Lord Reith, the first head of the British Broadcasting Corporation, as its chairman.

The situation in which the NFFC found the film industry can be summed up bluntly—production was at a low ebb, unemployment among the technical workers was high and producers' receipts were rarely sufficient to cover the current cost of production.

Method of Financing

The NFFC, provided with £5,000,000 from Britain's Treasury, addressed itself to the task of lending its money in such a way as to encourage the production of profitable pictures. How the Corporation tackled its undertaking may be gauged from the sentence in its report which reads, "The mandate to protect the funds has been to some extent subordinated to the mandate to get films made".

That the task was tackled vigorously is evident from the fact that the report carries a list of no fewer then 63 films which have been made, or are being made or planned, with NFFC financial backing. And the evidence that the producers eagerly welcomed the prospect of State aid is contained in the statement that 261 applications have been dealt with.

The method of financing which the Corporation employed sounds complicated to the layman, but the essence of it is relatively simple: generally the producer approaches the Corporation with a distribution contract for his projected film already arranged. Against such a guarantee of distribution a bank will usually advance up to 75 per cent. of the estimated cost of production. If the Corporation, on examination, found the proposition worthy of support, it would put up the remainder of the money required, less that amount which the producer himself was prepared to find. This producer's investment is the first money to be spent and the last to be recovered (or the first to be lost).

Further, independent producers, to whom most of the Corporation's loans have been made, are required to find a guarantor of completion—that is some person or body guaranteeing to provide the extra money to complete the film should it run over its agreed budget.

Production Imponderables

The Corporation, of course, has to concern itself with the great imponderables of film production as well as the ledger figures. Though it is not promoter, arbiter of taste, or censor, it cannot be indifferent to the content of films in which public money is being invested. Bad choice of subject is a major cause of box-office failure.

It is in this field that the NFFC must inevitably lay itself most open to criticism, for no two people have the same ideas about what constitutes a good plot (certainly at the script stage), and in matters like casting and treatment of a given theme there is little more likelihood of unanimity. However, a scrutiny of the list of 21 films which have actually been completed and publicly shown, suggests that a good deal of shrewdness has been applied to the unenviable and invidious task.

The report does not reveal what propositions were turned down nor how much was lent in individual cases, but in sum total the position at the end of the financial year was that the Corporation is committed to the loans of £4,436,690, leaving approximately £600,000 still available.—Since the report was published another £1,000,000 has been authorised for lending.

Losses May be Considerable

There is no undue optimism about the report: "It is thought that losses may be considerable and £750,000 has been provided. This provision may prove to have been too large or too small." No unsupportable claims are made. Apart from the obvious stimulation of production with its accompaniment of employment and potential dollar-earning, the Corporation contents itself with the statement that it "has assisted in the reduction of costs (some of which are still too high), but this has not been sufficient to bridge the gap between average cost and average return to the producer from the home market".

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20	,,	13 2 0	13 14 0	17 7 0	19 11 0
25	,,	13 2 0	13 14 0	17 7 0	19 11 0
30	,,	13 2 0	13 14 0	17 7 0	19 11 0
40	,,	14 4 0	15 0 0	18 15 0	21 6 0

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60	,,	16 11 0	17 7 0	22 5 0	...
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1023 — 2-50

Mr. Harekrishna Mahatab, India's Minister for Industry and Supply, in one of his recent speeches in Bombay, has asked industrialists and other sections of society to stop " sermonising" the Government, and be more practical. Though the Minister, soon after he assumed office had said that he is " averse to all talks", his appeal to the people and politicians "to come down to the earth and create an atmosphere of practicability" sounds more like a sermon rather than practical.

One thing that emerges from his speech at Bombay is that there is no prospect of controls being lifted in the case of essential commodities in the immediate future. Mr. Mahatab, referring to textile control, said: " I am neither for, nor against controls; I am only puzzled as to what should be done to ensure proper distribution of cloth produced in the country." The problem to be tackled is not one of distribution but how best to augment the supply of the things to be distributed. When once that is done, distribution will cease to be a puzzle and a problem.

Industrialists and others have tried to bring home to the Government that controls as they now exist are ill conceived and improperly administered and hamper production. The Minister instead of welcoming their suggestion and doing everything possible to remove all controls as expeditiously as possible, has been content to treat them as mere 'sermons.'

His characterisation of democracy as a six-legged race conflicting with its own self at every step considered with the recent Nehru—Matthai controversy leads one to doubt whether the foundations of democracy in this country are being at all laid strongly.

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CONTENTS

Business Week India

VOL. III No. 27

NOTES AND COMMENTS

Petrol Dealers' Woes

The service side of the petrol stations in different parts of our country has suffered considerably during recent years due to certain difficulties experienced by the dealers. Sri Daga, speaking at the All India Petrol Dealers' Conference held in Calcutta recently, pointed out that the commission allowed at present was absurdly inadequate to meet even establishment charges. While the commission during the pre-war days was more than 10 per cent. on the retail price of petrol, it had now dwindled down to about 5 per cent., although establishment charges had shot up to 300 per cent. and the monetary loss by way of evaporation was more than double. There has also been no appreciable increase in the average sale per pump. Shri Daga also affirmed that the Dealership Agreement between them and the Petrol Companies was 'one-sided and inequitable'. Under the agreement the dealer's position was so insecure that he could have no long term policy or any initiative for the improvement of the service side which required investment of money and hope of future gains. Discussing the problems of the dealers, Shri S. K. Dev, who presided over the conference, also drew pointed attention to the difficulty of dealers in making both ends meet. We commend to the oil interests of our country the suggestion of joint consultations with a view to ascertain the extent to which the dealers are handicapped under the present system and the relief that may be provided without detriment to the consumer.

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Film Finance Corporation

An all-time record in the history of film production in India was registered in 1949 with the total number of features at 289. The lowest on record was in 1945 with 99 features. The Indian Motion Picture Producers' Association, however, did not consider this record as symbolic of a healthy growth of the industry, since, it its opinion, the present production is mainly due to the spasmodic efforts of individuals without regard for the financial stability of film production. The overseas market for Indian films too continues to be restricted to Pakistan, Burma, Ceylon, the Near East and a few countries in the Middle East, and mass production of pictures specially intended for exhibition in Western countries seems now out of question.

The setting up of a Film Finance Corporation on the lines of the Industries Corporation to grant financial assistance to producers is an urgent necessity, and will put the industry on its feet again. Producers now find it extremely difficult to continue production and existing institutions like banks and commercial corporations are chary of lending any moneys to them due to fear of loss of capital. The few financiers who are willing to lend charge their own terms which prove uneconomic to the borrowers. The starting of a Film Finance Corporattion at present will undoubtedly benefit many a struggling producer. State aid from the Corporation may be given to such producers who are willing to allow State supervision of production and distribution and who are willing to undertake the production of educational and documentary films. The creation of such a Corporation will also bring much revenue to the State exchequer.

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Non-Edible Oils for Soap

The soap industry in our country has been consuming larger and larger quantities of edible oils during recent years with the result that there is acute shortage of these oils for human consumption. Experiments conducted at the Village Industries Research Laboratory at Poona have shown that about 50 per cent. non-edible oils can be used in soap-manufacturing on a cottage scale without seriously imperilling the quality of soap. The most common among the non-edible oils which could be employed as substitutes for edible oils are Karanja oil (Pongamia Glabra), Neem (Azadirachta Indica) oil Undi oils, (Callophyllum Inophyllum). These oils are available in plenty in many parts of our country and are now being used for burning or otherwise wasted. They are also cheaper in the areas in which they are available.

One difficulty that confronts the soap-maker in the preparation of soap from these oils is their strongly disagreeable odour. To overcome this difficulty, the chemist in charge of the Poona laboratory suggests the use of colours like Rhodamine and Congo red in minute quantities and perfumes like Yara yara, pine oil, diphenyl oxide, citronella, etc.

The utilization of these non-edible oils will certainly lessen the demand for edible oils. The quantities that are available at present may be estimated and their regular supply to manufacturers of soap will be a paying proposition for business men. The manufacture of such oils may itself become a thriving industry in the villages. If the large manufacturers too who resort to factory production are encouraged to use these substitute oils it may not only cheapen the products but also encourage a useful village industry.

The suggestion made by the Village Oil Industry Survey Subcommittee some time ago that there should be a ban on the export of mohwa oil from India as this oil provides good solid fat for manufacturers of soap, now adopted by the Central Oilseeds Committee, should also be taken maximum advantage of by manufacturers.

* * * *

Sand-Lime Bricks

Bricks are indispensable for providing more housing for the people. So long as labour was cheap and the demand for houses was not great we could depend on the use of clay-burnt bricks, but with the ever-growing demand for more houses we will have to discard the old method of making clay bricks by manual labour and take to machine made bricks, writes a correspondent.

Sand-lime bricks, which are being increasingly used in the USA., England, Germany and other foreign countries, are made by machines The raw materials needed for them are good angular sand and lime in the proportion of 9 % and 8% respectively. These bricks are not burnt but indurated under heavy pressure and then steamed in hardening chambers. They become ready for use within 24 hours and can be made throughout the year. Declared as first class engineering bricks conforming to British standard specifications they have a crushing strain of 100 tons to 150 tons per square foot. The output—from 35,000 bricks to 100,000 bricks a day—varies according to the capacity of the plant.

These bricks have not so far been produced in India but we have the requisite raw materials to make them. There are many places where large dumps of sand are available. The Government way examine the possibility of making these bricks.

* * *

U. S. Synthetic Rubber Plan

The senate Armed Services Committee has approved a two-year extension of the Government's synthetic rubber programme due to expire on June 30. The law requires the Government to maintain as a defence facility, plants capable of producing 665,000 tons of synthetic rubber annually. It also requires domestic manufacturers of rubber products to use about 222,000 tons of synthetic rubber annually. The House had approved a three-year extension of the Bill. The Government invested about 700 million dollars to produce synthetic rubber during the Second World War after supplies of natural rubber were cut off. The Government still owns some 33 synthetic rubber plants, 17 of them operating.

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Electrical Machinery Industry

The production of machinery in India for the year 1949 included electric motors with a total capacity of 200,000 h.p. This was an increase of 50,000 h.p. over 1948. The total capacity of transformers produced during 1949 was 225,000 k. w. amperes. Diesel engines manufactured totalled 4,600, an increase of 3,400 over 1948. This is indeed a creditable record for a young industry.

225 431

Increasing Sugar Production

Sugar has ceased to be a luxury and become an article of common consumption and it is therefore supremely important that the industry should organise itself in such manner as to make the country self-sufficient in this important article of food and also to cheapen it for the consumer. Today the cost of sugar in India is about twice that in other countries and many of our housewives are finding that there is no sugar in the larder. It was with the twin object of maximising production and reducing cost that the Government of Madras appointed the Sugarcane Enquiry Committee some time ago with Sir T. S. Venkataraman as chairman.

The Committee, consisting of Sugarcane experts and representatives of growers and manufacturers, have now concluded their sittings and submitted their report. The findings of the Committee are of far-reaching importance to the sugar economy of Madras State in particular and India in general.

Climatic Considerations

The Committee felt that in the past sugar factories had come into being not always because of the suitability of the surrounding areas to cane-growing. In the future set-up, it is very necessary that factors like soil, climate, availability of irrigation water in plenty and at cheap rates should be taken into consideration.

One of the main items of expenditure in the growing of cane is the cost of manures. This could be brought down, in the opinion of the Committee, by the growing of green manure crops, utilisation of waste materials like trash, etc. Irrigation being an important item of expenditure, it is best to regulate the future factories in places where water is abundant and cheap.

During the growth of the cane, an abundant supply of moisture is essential, either as rain or, better still, by irrigation. A combination of much sunshine and a damp tropical atmosphere is most favourable for the development of thick, tall cane, rich in sugar. During the period of ripening of the cane, dry weather is essential—heavy rains during this critical period lead to an appreciable dilution of the juice, and hence to a lower percentage of sugar This is the reason why the world's commercial plantations are confined principally to frost-free lands where the annual precipitation is at least 50 inches and where there is a short dry season.

Cane-growing in South India

While in Northern India the shorter growing season results in cane of smaller size and lower sugar content than is characteristic of the truly tropical varieties, climatic conditions are generally more favourable in South India. That the Madras State could produce sugar at a cost which can compare favourably with any part of the world was the unanimous conclusion of the Enquiry Committee. Mr. R. V. Sundara Reddi, in his evidence before the Committee, said that tropical South India had even better climatic conditions to produce larger quantities of sugar than North India. However at present, the State of Madras is importing nearly 40 per cent. of its needs.

One of the recommendations of the Committee was that the interests of the growers and those of the factories should be brought together, either by the growers taking shares in the factories or by other means. In places like Java and Hawaii, sugar production is a joint endeavour of all parties concerned. In the opinion of the Committee sugarcane is a crop eminently suitable for co-operative or joint farming.

Mr E. V Sundara Reddi, President of South Indian Sugar Growers' Association, also said in the course of his evidence that growers also should form associations among themselves so that they may be able to arrange cheaply and efficiently the purchase of their requirements for the transport of cane to the factory and for the marketing of their products. Closer co-operation between the industry and the growers will undoubtedly pave the way for greater efficiency and reduce the cost of transport which now forms about 15 per cent. of the cost of production.

Lines of Improvement

One of the lines in which considerable improvement could be made is in the matter of agricultural tools and implements, as was pointed out by Mr. R Nagan Gowd, a member of the Committee. He instanced the 'kappu' which could be improved so as to make it easier for the labour to work at.

Opinion is common in Indian sugar circles that the 800-ton factory is the minimum economic unit. But in the view of the Committee, conditions in the Madras State are such that in the case of joint stock companies tonnages round about 450 would prove economical. In the case of co-operative concerns, a lower limit could be placed, even at 100 tons.

The varieties of cane grown in the factory area is important both for maximisation of sugarcane production and cheapening of cost. Only suitable varieties can extend the crushing period and put up recoveries in sugar. To go into this important question, the Committee has recommended the appointment of another committee.

Sir Venkataraman has affirmed that self-sufficiency in sugar is possible and within reach and that there is no need to import sugar from Java as in the past.

The Pencil Industry

With a view to make adult franchise productive of wholesome results, concerted efforts are being made by both Central and Provincial Governments to remove illiteracy. Only 14 per cent. of our population of nearly 350 millions are literate. Since the surest way to remove illiteracy is by opening more primary, elementary and high schools, we may expect a sharp increase in the number of such institutions, both in rural and urban areas.

With the increase in the number of educational institutions, the demand for pencils will increase several-fold. Since our country consumes enormous quantities of pencils indigenous manufacture is of the highest importance, and it is very essential that this important instrument of primary education is mass-produced and that Government gives all facilities and concessions to those engaged in this industry. Manufacturers too should make every effort to compete with foreign pencil factories on equal terms to produce good quality pencils, at least to the extent of self-sufficiency. Up-to-date machines may be imported and the staff and labourers trained for the purpose.

Graphite, wood, clay, shellac, spirit, and nitro cellulose lacquer are the principal raw materials used in the industry. Their availability in our own country may be explored. At the Tariff Board enquiry conducted early this month the manufacturers maintained that the American cedar wood was the most suitable one for pencil manufacture. They also opined that the indigenous *deodar* available in certain parts of North India, such as Hardwar and Pathankot, properly treated, could be used as good substitute for the imported cedar wood. The suitability of this species of wood has now been established beyond doubt by research.

With regard to other raw materials, the industry is already using mostly indigenous materials. The general opinion is that amorphous graphite, an important raw material, could be obtained locally and with the requiste purity if necessary researches are conducted China clay, lacquer, waxes, etc. are also easily available.

While manufacturers plead for a total ban on imports of pencils of all varieties, importers urge that as the industry's production during the last few years has been small compared to the estimated demand it would be unwise to ban imports altogether. The *regulation* of imports until rationalisation is achieved seems to be the right course. The curtailment of imports to the absolute minimum is also justified since the prejudice of the people for foreign-made pencils may die out. As for the plea of the manufacturers for remission of duty on imported raw materials, research facilities and Government patronage, it is unexceptionable.

There is enormous scope for the development of this industry. The indigenous demand is estimated at 500,000 gross per annum during the next three years. If black-lead, copying and colour pencils in the requisite quantities are supplied by our own manufacturers to Government, public institutions, stationers, textile mills, schools and for public use, and the necessity for imports eliminated altogether, free and independent India may very well be proud of her achievement.

Sericulture Industry of Madras

(CONTRIBUTED)

The sericulture industry attained prominence in the Madras State as early as 1900, when the Government of Madras decided to establish a silk section under the Department of Industries to rehabilitate the industry. The industry flourished thanks to the appointment of a Silk Assistant and a few field-men under him. It also expanded from Kollegal, the traditional centre, to other suitable places in the State, but the acreage was confined to a bare 12,000 until 1930. The industry, however, could not make much headway due to the constant slumps in the silk market and the availability of foreign silk at cheaper prices than indigenous manufactures.

Boomlike conditions prevailed with the outbreak of War in 1939 when the need arose for special quality pure silk for the manufacture of parachutes. The total acreage increased to 21,000. A filature factory under Government auspices was established at Kollegal equipped with the latest machinery. The quality of silk produced was not in any way inferior to others When war was over production was switched on to civilian consumption. The annual production at present is of the order of $1\frac{1}{2}$ lakh pounds of pure raw silk, and about 25,000 families are being supported by the industry.

The Story of Development

Though sericulture can undoubtedly play a prominent role in the cottage industries economy of the State, there are various bottlenecks to the growth and expansion of the industry. Due to natural causes, the industry has necessarily to be confined to Kollegal. Experiments made in areas other than Kollegal since the past 150 years have proved abortive.

In 1798, Dr. James Anderson, who was Physician General to the Government of Madras, started a silk reeling factory at Trivellore near Madras, but the abnormal heat affected the growth of the worms and dried up the gardens. The Government Farms established in other places about this time from Ganjam to Tinnevelly in the extreme South were also rendered useless due to adverse seasonal conditions. In 1822, a proposal by an enthusiast to conduct trials on a large scale on silkworm rearing in Chingleput district was turned down by Government on the score of previous experience of failure. The sericultural activities of the Government with Madras itself as the venue failed in 1832, since rearings consistently failed due to the abnormal heat and diseases among worms.

An Italian firm was permitted to erect a private factory at Hosur for reeling silk in 1870, but since the ryots of Kollegal found a better market for silk in the adjoining Mysore State where the industry was flourishing, they did not sell their cocoons to the company which closed down eventually. The industry is now concentrated mainly in Kollegal, where it has thrived with the help of both Government and private firms.

Handicaps to Progress

The silk panel appointed by the Government of India have fixed a target of 25,000 acres of mulberry in Madras State within a period of 5 years. Schemes for its implementation are also being worked out. But there are formidable difficulties in the way of the healthy growth of this industry in this State. Production is being considerably handicapped by the import of foreign silks which sell at cheaper rates, and the systematic dumping of artificial silk from foreign countries. Though the Government of India have now banned the heavy import of foreign silks, the preference of the public for the imported varieties has not dyed out.

There is also lack of initiative on the part of the people to develop the silkworm rearing and silk reeling industry, and this extreme apathy of the people and the shyness of private capital have been responsible to some extent for the setback the industry has suffered till now. The villagers too do not extend their co-operation in full measure, and the Tsar culture introduced by the Government of Madras in Bhadrachalam forests some time ago proved abortive due to this reason.

Natural factors too are largely detrimental to the growth of this industry in the State. Devastation of the worms by pests is still a factor to be reckoned with when planning the further expansion of the industry. The Tsar worms which thrived well in the Malabar forests a few decades ago were almost annihilated by pests. The methods adopted for reeling at present are crude except in the factories lately installed, and calculated to spoil the cocoons.

The production of silk in the Government Silk Filature factory at Kollegal is now stopped temporarily as mulberry leaves are not available in requisite quantities for the rearing of cocoons. This was explained to Mr. P. S. Kumaraswamy Raja, Chief Minister of Madras, when he visited the factory early this month.

Whatever the present handicaps, the scope for further expansion on an experimental basis may be examined, and the present is precisely the time to stabilise the industry. It is refreshing to note that the Sericultural Institute at Kollegal is already devising ways and means of improving the technique of the industry, from mulberry cultivation to silk reeling and manufacture of silk fabrics.

The Safe Deposit Vault

MARVEL OF MODERN ENGINEERING

Once safe deposit meant burying of valuables under-ground. Later boxes provided with locks or coffers followed closely on the development of locks in ancient Egypt. Advances had since then been made in craftsmanship but no real security was in sight until safe-deposit "Vaults" came to be constructed early this century.

The idea of safe deposit vaults was born in America and gained quick popularity in the Continent. India was the first country in Asia to catch the idea and the Bombay Safe Deposit Co. came into being in 1909. The rest of India went without this safe deposit facility till 1937.

There are now 250 vaults in India—most of them constructed with the help of Indian patents. They have successfully withstood all known calamities like dacoities, civic commotions and conflagrations.

The vaults are built for providing security for jewellery and valuables against the risk of fire, flood and other calamities. Built of brick or concrete, the thickness of the walls varies generally from 14" to 18" in the case of brick, and 8" to 14" in the case of concrete.

The design and workmanship in the construction of vaults are of great importance. It is advisable to reinforce the walls, roof and floor with linings or special section re-inforcements of steel or alloy steel.

Benefits to the Public

The benefits of the safe deposit system are different from those of the practice of depositing valuables with bankers in sealed containers. Safe custody in a bank requires some personal or business relation or at least an account with it which is not possible in a country where secreting is more the rule than exception. Secondly, the depositor, even for a cursory inspection, has to break the seal and pay the charge for the full time even when the period of the custody has not fully expired. Again the banker does not allow handling of things deposited with him several times in the course of a day. The safe deposit system offers access to authorised persons whose identities have been lodged with the management. There are further advantages of the double guard on the lock arrangement by which only the combined operation of the custodian's key and the depositor's key can open the lock. There is also the extra renter's lock arrangement over which the renter alone has control in the shape of a padlock.

The most vital part of the safe deposit vault is the main vault door. Although massive and extremely strong weighing several tons, the door has its weight so finely distributed and so beautifully mounted on fractionless bearings that even a child can move it. The stationary structure that frames the door is also of equally massive proportions and so made that it grips the wall in which it is embedded. Once the door is closed, it presents an impregnable barrier which even slide hammers, high speed electric drills and acetylene torches cannot overcome. This is so because it is an unbroken solid slab of alloy steel and special metals. The locks fitted represent the very best of the highly specialised and time-honoured craft of the lock-smith. On all vault doors even the key holes are shielded by heavy drill-proof armour plates which can be displaced only after the keyless combination lock is opened. So staggering is the figure of combinations that the burglar may fiddle with it for months before hitting upon the right combination.

Safe-maker vs. Safe Breaker

Vault doors are always made explosive proof with a reliable mechanism which would spring on surprise on the crook if any explosive is tried. If locks are blown out, the door in fully bolted condition would go "dead" so that not even the custodian of the vault or even the makers themselves could open it in the normal way. Entry will then be possible only through the emergency door. The doors are also flood and fire resisting. Special water-tight device is provided between the door slab and the frame. To resist fire hazards, the vaults door is packed with a special composition which has the property of generating large quantities of water when raised to high heat. All this perfection has been achieved because of continuous advances in the science of metallurgy and also because the safe-maker has put up an unceasing fight against the safe-breaker.

VALUE OF SEA-WEED

A survey of the sea-bed carried out round Mandapam, in South India, shows that there are about 90 different types of sea-weed available there. Some of these are of considerable food value—both human and animal—while others will have an industrial use.

Motor Battery Industry

(CONTRIBUTED)

The Indian motor battery industry was born in 1943. Lead plates for automobile batteries were first manufactured, and practically every other component part was imported. The initial handicaps of the industry were many. Customs duties were as heavy on components as on completed batteries and imported batteries were selling at half the price of Indian-made ones.

The war gave a fillip to the struggling industry. Since imports were practically cut out, competition from foreign makes disappeared altogether. The industry was reorganised, and by the time peace-time conditions prevailed and foreign competition again made itself felt, Indian industry was able to stand on its own, making many of the component parts here itself.

The industry has made satisfactory progress since protection was granted to it in 1948, on the recommendation of the Tariff Board. The Government of India imposed a protective duty of 80 per cent (preferential) and 87½ per cent. (standard) on the import of motor vehicle batteries. Protection has now been extended upto December 31, 1951.

Present Position

There are at present 15 factories located in different parts of the country. 10 are in Bengal, 9 being in Calcutta alone; Bombay has 4 factories, and Bangalore has 1. The productive capacity of 13 of these factories is about 408,800. In 1948 and 1949, the rated capacity stood at 268,300 and 35[illegible],300 batteries respectively. In 1947, the output came to only 90,000 batteries. The output in 1949 recorded a small improvement from 103,456 (1948) to 106,019 batteries. Production of battery plates too has gone up to 17.13 lakhs as against 12.85 lakhs the previous year.

The Tariff Board envisaged an output of about 268,300 batteries in 1948, and 35[illegible],300 in 1949. The total demand for motor vehicle batteries is now estimated at about 250,000, both for replacement purposes and for original equipment in new vehicles.

Sell Like Hot Cakes

There has been an increased demand for Indian-made batteries due particularly to their lower selling prices compared to those quoted for imported ones. The manufacturing units were able to dispose of their entire production in 1949. The closing stocks at the end of the year at 18,519 were slightly lower than the opening stocks at the beginning of the year, which stood at 18,926. The cost of production was kept within limits, the increase being only slight from Rs. 52.30 in 1947 to Rs 52.64 for 6 v.ts. 15 Plts. batteries in 1949, and from Rs. 57.54 in 1947 to Rs. 58.41 for 6 vlts batteries. The slight increase in cost was due to the higher prices for raw materials like separators, lead, antimy onand battery containers and higher labour charges. Production in 1949 would have been higher unless for the irregular supply of raw materials like separators, red lead and sulphur and the closure of one unit for about six months due to labour trouble.

With a view to encourage firms to utilise more indigenous raw materials, the Council of Scientific and Industrial Research is now taking steps to have asbestos, reported to be available in Mysore and Saraikella, processed for the manufacture of containers. Experiments with different varieties of wood suitable for separators are now carried on at the Forest Research Institute in collaboration with the principal manufacturers in the country. The Institute has already pronounced its opinion that *cypress, fir* and *spruce* are the best types of Indian wood so far tested and that they are in no way inferior to *Port Oxford cedar* in service and finish. The use of *Haldur* has also been recommended as separators for batteries not subject to rough work. Already, two firms in Delhi and another at Sitapur have undertaken to manufacture battery separators.

Efforts are also being made to standardise the products to enable the industry to produce batteries of requisite standards acceptable to consumers. A few concerns have taken steps to label their products as "Made in India" as suggested by the Tariff Board.

Prospects

The industry is now in a favourable position to expand its output to meet the entire internal demand. Though started only a decade ago it has taken firm roots, and may show further improvement in all spheres of production with the development of the indigenous motor car industry when the demand for batteries will increase several-fold. Batteries for train lighting, telephones, telegraphs, and farm lighting are also now being made in India on a scale which promises self-sufficiency within the next few years. When Indian-made traction batteries commence supplying the power for electric vehicles our dependence on petrol will be less, and this would be an immense national gain

The Schuman Plan

ITS ECONOMIC IMPLICATIONS

By John Kingsley

M. Schuman's proposal for joint Franco German control of the coal and steel industries, to be open to other European countries wishing to join, comes at a turning point in the post-war recovery of Europe. The first phase was the relatively straightforward drive to raise industrial production to the pre-war level. A spectacular increase of 30 per cent. in industrial production in the Marshall Plan countries in two years raised the output of goods in 1949 to some 15 per cent. above the 1938 level. In the second half of 1949 this upward surge of the production graphs tended to flatten out. There was a levelling off and even a falling off in the production of crude steel, textiles and engineering and metal products. These were symptoms showing that Europe was coming near to the stage when productive capacity would need to be co-ordinated with European needs.

Steel Production

Steel production in France totalled 9,100,000 tons in 1949 and is planned to reach a total of 12,500,000 tons by 1952-53. In Federal Germany steel production is limited by the Occupying Powers to 11,100,000 tons a year (in implementation of the aim, agreed to by the four Powers at Potsdam, of preventing German re-armament) but by the end of 1949 the capacity of West German steel plants was estimated to be 13,800,000 tons.

The U. K. has at present a clear lead in Europe in the quantity and price of steel production with a total of 15,600 000 tons (planned to increase to 17,250 000 tons in 1953) at prices below those of Belgium and below German prices except for re-rolled bars. The U. K. is also by far the largest coal producer in Europe. U. K production in 1949 of 215,000,000 tons was rather more than double the coal production of West Germany, which in turn was about double France's production of -3 0:0 000 tons of coal in 1949.

The relative strengths of the coal and steel industries in Federal Germany, France and the U. K explain the importance the French Government attaches to securing the membership of other countries in the Franco German pool. A natural course of development would be for German industry to dominate the French unless there were counter-balancing members of the pool. The Benelux group has important steel and coal resources, with a capacity of about three-quarters of the French.

U. K.'s Part

The French and Benelux industries have a natural geographical association with the Ruhr and the Rhineland and now that Ruhr coal is being exported in considerable quantities German coal is replacing imported American coal. But in the pattern of European coal trade the U. K., with total export commitments of more than 20,000,000 tons, plays the most important part.

The U. K. has not the same geographical pressure to link her industries with a European pooling system. The allocation of U. K. steel is planned by the British Government to meet the main overriding problem of reaching a balance of payments between the sterling area and the dollar countries.

It has been calculated that British steel is an essential material found in 47 per cent. of British exports in 1949 when 2,500,000 tons of steel went as direct exports and 3,100,000 tons were indirectly exported as part of manufactured goods. Three-quarters of British direct steel exports went outside Europe, one-half being to the countries of the Commonwealth.

The U. K steel industry is, and is likely to be for many years, the source of capital equipment for the countries of South Asia and Africa. At the same time, the U. K. uses sources of supply for iron ore and scrap which would come within the control of a Franco-German authority. Much scrap has been coming from Germany and some 10 per cent. of the iron ore smelted in 1949 came from French North Africa

France, the U. K. and the U.S.A. have jointly set up the Ruhr Authority to allocate German coal, coke and steel. The three Occupying Powers in Western Germany have had a Combined Coal Group and a Combined Steel Group with authority reaching outside the Ruhr. In the Marshall Plan organisation, countries of Western Europe have had experience of the problems of harmonising their development programmes for such basic industries as coal and steel which were examined by specialist committees set up by the O. E. E. C.

The Economic Commission for Europe, which is holding its annual meeting in Geneva this month, has practical experience of the allocation of European coal supplies and in the allocation of coke and scrap for the steel industry in Europe. The problems of post-war recovery have led to the formation of a statistical organisation such as the E. C. E. Secretariat in Geneva which provides the raw material for working out co-ordinated policies.

The U. K. has an Economic Planning Staff and France has a similar organisation. There is, therefore, already some machinery for the co-ordination of the coal and steel policies of Western European countries.

Trace Elements In Agriculture

BY HARLAND MANCHESTER

There are many studies showing that fertilization with a given mineral increases its content in a specific crop in a specific location. Research in this field promises to increase future world food production with less use of fertilizers.

There is a small valley area in the State of New Hampshire in the north-eastern part of the United States where, until a few years ago, it was hard to raise good cattle. The animals would not put on flesh, their coats got rough, their eves became sunken, they wobbled around, and eventually fell down and died.

Important Discovery

A thorough investigation was carried out by W O Robinson, a chemist at the U. S. Government agricultural experiment station in the State of Maryland. Robinson is an authority on the effec s on plant and animal life of so-called trace elements in the soil, which often play a role in agriculture roughly comparable to that of vitamins in the human organism. He suspected at once that something was the matter with the soil that fed the forage these cattle ate. He procured soil and vegetation samples which were analyzed for their mineral content. The soil was ground to fine powder and burned to destroy organic matter, and the residue was treated chemically to detect the presence or absence of various elementary components. As a result of the investigations it was found that the soil was largely composed of coarse granite residue from glacial deposits, and that the valley was suffering from a lack of cobalt which is essential in minute quantities to the health of ruminant animals like cattle and sheep. This discovery was made in 1940. After nearly two centuries the disease has now been conquered by adding a bit of cobalt to commercial fertilizer, or by feeding it directly to the cattle. Less than one part out of 1,000,000 in the feed is enough.

This is only one of many recent applications in agriculture of the new knowledge of trace elements, which has been taken seriously for less than two decades. Since commercial fertilizers began to supplement or supplant farm manures, most fertilizer manufacturers as well as farmers have placed primary emphasis on the nitrogen, phosphorus, and potassium, of which the chemical fertilizers are mainly composed. The need of certain other substances, like calcium, sulphur, chlorine, and sodium, also had been recognized. Until recently, these seven were considered sufficient.

Deficiency Diseases

Before 1900 Gabriel Bertrand of France discovered the need of plants and animals for certain minor elements, and pointed out the way for further research, but his findings largely were ignored until the early 1930's. Then it was found that the heart-rot disease of beets was caused by a lack of boron. This stimulated work in several U. S Department of Agriculture experimental stations, as well as experiments in other countries, and today trace elements are in wide commercial use. Five minor elements—cobalt, manganese, zinc, boron, and copper—are now attracting wide interest as new tools for the improvement of plants and animals.

The New Hampshire soil is not unique Throughout the world hundreds of similar examples are to be found: in Scotland, in other parts of Europe, in East Africa, in Australia, and in New Zealand New Zealanders had been clearing large new areas and growing big crops by using chemical fertilizers. Many new dairy farms were established, but the cattle came down with "bush sickness". In the late 1930's the cause was discovered—cobalt deficiency. Farmers found that if they added to the fertilizer two pounds of cobalt sulfate for every acre, it made the difference between prosperous dairying and no dairying at all.

Trace-element scientists have found in recent years that the need for a dash of manganese in the soil or the feed is responsible for disease in both plants and animals. Manganese seems to have a greatdeal todo with sexual behaviour. Male laboratory rats, deprived of manganese, become sterile; the females lose their maternal instinct and their mammary glands function poorly.

A wide variety of plant diseases have been found to be caused by lack of manganese in the soil. There is no correlation, however, between the amount of manganese in a given soil and the amount found in the plants growing on it. The manganese must be made available for the plant. Sometimes, by applying 25 to 50 pounds of manganous sulfate an acre, farmers get tremendous crop increases, but there is no standard recipe which can be used in all soils

Tracing Out Deficiencies

Tracking down the cause of a trace-element shortage often is not easy. On some American farms where tractors have supplanted horses, symptoms of manganese shortage appeared. At first the deficiency was laid to the lack of horse manure; then it was shown that the straw used to bed down horses, but seldon used for other animals, had contained the needed element In general, the mechanization of farms and the use of commercial fertilizers of high purity have played a leading role in depleting the soil of these indispensable substances. In the United States the minor elements are being added more and more to the chemical fertilizers as local needs are being discovered.

Such infinitesimal amounts of certain trace elements are needed that they are often supplied by accident. In the 1930's California peach trees and grapevines were assailed by the "little leaf" disease, which no one understood. A scientist from the University of California th ught the ailment was caused by a deficiency in iron; so

(Contd. on page 512)

How Italy Harnesses the Water Giant

NOVEL RIVER VALLEY PROJECTS UNDER EXECUTION

The great importance of harnessing the country's water resources for the development of irrigation and for the generation of electric power has never been under-rated in Italy, and due study and recognition of the vast potentialities that such schemes provide for the economic prosperity of the nation have since long resulted in the preparation and execution of scores of river valley projects. Some of these schemes, for the remarkable technical skill involved and for the engineering feats achieved in overcoming intricate problems, have brought the country notable fame.

Underground Aqueducts

Unlike other similar schemes, the project under consideration envisages the installation of a chain of four hydro-electric power stations in a region intersected with numerous small rivers, notably reputed for their erratic seasonal flows and floods of no small measure. The scheme does not contemplate the construction of conventional dams or the utilization of the normal flow of water through penstocks. Rather, it consists of an independent cascade system of underground pressure aqueducts and well-placed reservoirs to feed the four power stations, each one spaced along the course of the Astico River, from its source at Strenta to Breganze at nearly half its length before it empties into the Bacchiglione, South of Verona. Thus, it will provide a constant discharge of water, independent of the river and capable of being regulated to suit the conditions of flood-water or of water scarcity during periods of drought.

The four power stations, which together will be capable of generating over 350 million k.w.h., of power in addition to the existing small power stations of 50 million k.w.h., will be connected to each other.

The above-mentioned system of underground pressure aqueducts and seasonal and compensating reservoirs will permit the complete regulation of the power generated; in other words, they will be capable of a constant output of energy, permitting daily peak overloads equivalent to one and a half times the normal load. The area that will benefit from this irrigation is estimated at an additional 45,000 acres.

(Contd. from page 511)

he sprayed some test trees with iron sulfate with excellent results. Other scientists tried to duplicate his experiment and failed. Then it was found that he had used galvanized-iron buckets, and that the zinc in the coating had benefited the trees. Since then, it has been shown that zinc shortage is responsible for diseases in many plants, among them citrus, apple, pear, apricot, and walnut trees, as well as wheat, barley, beans, buckwheat, garden peas, and tomatoes.

When Dr. Cheng Tsui of the University of Wisconsin grew tomato plants in a culture solution free of zinc, they reached a height of a few inches and then stopped growing. He added a trace of zinc and they resumed their growth. Supplementary zinc is now in wide use in the United States, especially in fruit orchards. It may be added to the fertilizer, a solution may be sprayed on the foliage, or a small zinc tack may be driven into the trunk.

Benefit to Agriculture

A little boron prevents heart rot and dry rot of sugar beets, the apple disease known as "internal cork", top rot of tobacco, cracked stem of celery, and internal browning of cauliflower.

Copper is another of the mysterious trace elements without which plants and animals do not thrive. It helps the body utilize iron in the formation of hemoglobin in the blood, and it also appears to perform a function in the liver. For many years in Denmark and Holland a so-called reclamation disease has affected grains and forage grown on newly reclaimed heath and moorland soils. In the early 1930's plant scientists found that the disease could be cured by adding copper sulfate to the soil. It was also known that cattle which lived on this forage came down with "licking sickness", characterized by debility, loss of appetite, and low hemoglobin content in the blood. When the cattle were dosed with copper sulfate, they recovered as the plants had.

Meanwhile the "die back" disease of citrus fruits (death of the young growing tips) was found to be caused by copper shortage, and the use of copper sulfate in certain soils increased the yield of tobacco, lettuce, and onions. It must be used carefully because too much copper will stunt plant growth.

Radio-active Isotopes

Despite the new surge of interest in these indispensable dashes of substances, knowledge of where the trace elements go and what they do in plants and animals is still vague. But atomic research brought agricultural scientists a new tool—the radioactive isotope, which is already being used in several American laboratories to trace the progress and behaviour of the minor elements in crops and livestock. By this method atoms of the various elements are treated with radioactivity at the great nuclear research centres, so that when a Geiger counter is placed near them, it reveals their position by ticking like a clock.

Scientists at the Florida Agricultural Experiment Station have fed radio-active cobalt to cows and have followed its course through their bodies. They have found that the cobalt plays a part in the functioning of the cow's rumen, and that it cannot store it up but gets rid of most of it within seven days.

Other radio-active atoms are added to culture solutions which nourish laboratory plants. A University of California scientist fed radio-active zinc atoms to tomato plants and later exposed photographic plates to slices of the fruit, thus demonstrating where the atoms have congregated.

—*Nation's Business.*

Italian Button Industry

The Italian button industry comprises about 100 industrial concerns spread mainly over three provinces which together contain nearly 50 factories. The industry employs altogether some 10,000 workers.

Buttons are made from a vast variety of raw materials which are specified below in order of their importance:

Corozo nut buttons: These buttons, familiarly known as "vegetable ivory buttons," are made from the nuts of the corozo plam tree which grows mostly in the wild forests of Ecuador. The nuts are collected by the natives who barter them for food and clothing with the traders at the coast. There are several qualities of corozo plam nuts, but the best is the *Manta* or *Guayaquil* variety which is extensively employed in Italy.

Dum nut buttons: These are made from the nuts of the dum plam tree growing in Eritrea and Anglo-Egyptian Sudan. Here too there are different qualities, the ones mostly employed being the bigger variety.

Plastic buttons: These are made of plastic powders and according to the powders used they range from very transparent to dull varieties.

Mother of Pearl buttons, also known as *Trocas* or *Macassar* buttons. The raw materials for these are sea-shells. *Macassar* shells are collected near the Borneo islands.

Enormous Output

There are practically 15 different qualities of buttons, which besides the above include: metal buttons and press buttons; galalith buttons (made of compressed casein and formaldehyde); cornalite or corozite buttons, made of compressed powdered horn; plexiglass buttons, mostly used for ladies' apparel; agate buttons, used for underwear, blouses, etc.; bone buttons for underwear; horn buttons, namely buttons made of buffalo or oxen horns, used for high class men's clothing; leather buttons, and finally wood buttons. All these buttons, in a variety of sizes, designs and shades, are being produced to meet every possible demand of consumers.

The industry is constantly improving its production, especially of plastic buttons. The importance of this industry may be gauged from the fact that the annual production reaches a value of about 1½ billion lire, equivalent to just over one crore of rupees, 80% of which is normally exported to foreign countries. The daily output is about 100,000 gross buttons.

In 1931, the "Ufficio Bottonieri Italiani," (Italian Button Manufacturers' Union) was formed with the object of coordinating exports and, until the outbreak of war, the industry flourished satisfactorily. Important markets were gradually established in many countries such as Argentine, Chile, Brazil, United States, Canada, Great Britain, India, Cyprus and China, which regularly absorb d large quantities of Italian buttons of all kinds, but especially of *corozo* buttons, this variety being produced only in Italy.

The last war has, however, created several problems for the Italian industry, and exports began to shrink due to the fact that many of the above nations had in the meantime, started their own production. The *corozo* nut button produced in Italy, however, still remains unsurpassed in quality and many of the above countries have, therefore, employed large numbers of Italian specialists and technicians in their own industries. Among the other difficulties encountered, that of devaluation has resulted in an increase in the cost of production. Yet these costs are comparatively much lower than those of other industries, principally due to better technical organization. But the main hindrance to the normal flow of exports still remains the restrictive import policies adopted by several nations in the post-war period.

Indian Imports

India has always been an important consumer of Italian buttons of all kinds, especially of the *corozo* nut, or "vegetable ivory" buttons, as they are sometimes called, for which there has always existed a considerable demand in the country. An important market was thus gradually built up throughout the pre-war years by the Italian manufacturers, who until recently, predominated in the supply of the whole of the country's demand of nut buttons, in the face of competition from other foreign sources.

A very great variety of buttons, in mottled designs and hundreds of colours and delicate shades, were annually being produced and exported to suit Indian tastes at prices within the easy reach of all classes of consumers. Due to the war, however, business relations were interrupted and some small-scale factories emerged locally, capable of producing only small quantities of dum nut buttons. When contacts were resumed at the end of the war, it seemed that the traditional button trade would once again flourish; but this was not to be, as restrictions impairing the free flow of trade had, in the meantime, come into effect.

India could still profitably collaborate with Italy by importing semi-finished *corozo* and dum nut discs, to be finished and polished in the country. An abundant supply of finished buttons could thus be assured in the country, at prices much lower than could otherwise be obtained.

Tourist Traffic Development

TRANSPORT MINISTRY'S PLANS

One of the problems confronting the authorities is the inadequacy of hotel accommodation. There are, at present, few good hotels in India. The Economic Commission for Asia and the Far East, at its Singapore Session, recommended that a survey of hotel accommodation in this region should be made by tourist agencies and other organisations. The Executive Secretary of the E. C. A. F. E. has been requested to take urgent action on the recommendations made. In addition, it is proposed to explore the feasibility of railways establishing and running hotels at places of key interest to the foreign tourist. With a view to raising the standard of hotels in India representatives of Tatas, Spencers and Associated Hotels of India have formed a Hotel Association.

Tourist Publicity

Considerable progress has been made in regard to the provision of basic information to tourists and the preparation of itineraries which tourists can cover with the maximum comfort. A booklet entitled *India.–Tourist Information*, containing basic information for tourists, has already been published by the Ministry of Transport. Steps have also been taken to prepare an up-to-date *Handbook of India* and a standardised time-table for tourists as also regional guide books.

Energetic measures are being taken to improve tourist facilities at key centres of attraction such as Delhi, Agra, Rajputana, Bombay, Calcutta, Simla, Darjeeling, Ellora, etc. It is proposed to organise regional tours round selected key centres where Government can bring to bear their organisational effort to ensure the maximum comfort and convenience to the tourist and also to ensure that the facilities at these centres including guides, etc., are provided on up-to-date lines. The Sub-Committee has finalised a scheme for the training of guides.

Regional tourist offices have been established at Bombay, Delhi and Madras. A similar office will also be set up at Calcutta shortly. A special branch called the Tourist Traffic Branch is now functioning in the Ministry of Transport.

The State Governments have been requested to furnish lists of dak bangalows and rest houses at tourist centres and to arrange for instructions to be issued for rent etc., to be collected from foreign tourists for occupation at the same rates as are applicable to Government officers.

A special *Tourist Introduction Card* is proposed to be issued to foreign tourists which will enable them to secure the good offices of Government servants generally and, in particular, to obtain certain essential facilities, e. g. prompt customs clearance, a drink permit, and reasonable quantities of petrol for motor cars. The States have also agreed to relax prohibition laws in the case of *bona fide* tourists who will thus get the drinks they are usually accustomed to.

The question of providing increased assistance to travel agencies promoting publicity for attracting American tourists is also engaging attention.

U. S. Drive to Sell Savings Bonds

More than three million volunteer workers in the United States are conducting a campaign to help increase the savings-bond holdings of the American people. The goal of the 1950 Independence Savings Bond Drive is the sale of $ 653,950,000 worth of United States Savings Bonds in small denominations to millions of individual investors.

President Truman launched the drive in a nation-wide radio and television broadcast by urging all Americans to invest in the bonds. "This is money invested in the cause of peace," he said. Leading stars in U. S. entertainment field appeared on the programme in support of the campaign.

The symbol of the bond drive is the Liberty Bell, which is displayed in Independence Hall in the city of Philadelphia. There it was rung in 1776 to celebrate the adoption of America's Declaration of Independence. The bell was chosen, says the U.S. Secretary of the Treasury, John W. Snyder, because "it symbolizes individual freedom to the people of our country."

In connection with the bond drive, local organizations are taking 53 exact replicas of the Liberty Bell to about 2,000 communities in all sections of the nation and its territories. One of the 53 bells will be permanently displayed in the capital city of each of the 48 States and in Alaska, Hawaii, Puerto Rico, the Virgin Islands, and the District of Columbia at the end of the campaign. Like the original each bell weighs 2,080 pounds, is 12 feet in circumference at its base, and stands almost 6 feet high. Several U. S. industrial firms contributed materials and money for making the bells.

The National Women's Advisory Committee is helping to further the campaign in local communities. The committee is composed of women editors, heads of women's organizations, and outstanding women in business, finance, and industry. Mrs. Harry Truman, wife of the U. S. President, is honorary chairman. Among the many other groups helping to promote the drive are newspapers, schools, and theatre, labour, veterans, and civic organizations.

About 85 million Americans have purchased almost $ 49,000 million worth of the savings bonds since the U. S. Treasury started issuing them in 1935. Many are investing their money in bonds so that they can pay for the higher education of their children, purchase homes, buy new farm equipment, or retire at an early age.

Business Brevities

Penicillin Tooth Powder

Evidence that a dentifrice containing penicillin can reduce tooth decay substantially is given by researchers in the United States. According to a report published in the *Journal of the American Dental Association* use of a tooth powder containing penicillin by 352 school children over a two-year period resulted in 54 per cent. less dental decay than was encountered in a similar group of children using a neutral dentifrice. The children ranged in age from six to 14 years.

* * *

Rubber Research

The largest rubber research centre in the Commonwealth was opened at Fort Dunlop by Sir Lawrence Bragg, Professor of Experimental Physics at Cambridge University. Housing 50 fully equipped laboratories, the centre was built by the Dunlop Rubber Company primarily to serve its 25 British and 16 overseas factories, but it will also co-operate with other organisations using rubber or allied products and with the research centre recently opened by the company in Malaya.

* * *

Book-Binding Machinery

Orders estimated at about £250,000 were received by British manufacturers from overseas buyers at the two-day International Book-Binding Machinery Exhibition recently held in London. It was the first exhibition of its kind to be held in the United Kingdom. A British machine which aroused considerable interest among buyers was one which will print 4,000 multi-coloured posters of any size in one hour and is claimed to be twice as fast as any other machine.

* * *

Stainless Steel at Lower Cost

A new process for making stainless steel of higher quality at lower cost has been successfully developed by a British steelworks. The process consists of blowing pure oxygen into an electrical melting furnace to raise the heat above 2,000° C. This not only shortens the melting time for a four-ton charge from six to four-and-a-half hours, and saves current, but also reduces the carbon content of the steel to ·05 per cent. and makes it possible to re-melt stainless steel scrap in ordinary arc furnaces. Stainless steel produced by the new process is stated to yield economies in final manufacture because it is easier to bend, stretch or draw and is of more even quality.

* * *

Cement Concrete Hollow Blocks

Hollow blocks of concrete, more durable and more economical than bricks, are for the first time being used in Nagpur in a house being constructed in Ramdaspeth. A "Westerwork" machine run on electric power and capable of turning out 750 blocks every working day, helps in slashing building costs to Rs. 80 as against Rs. 135 per hundred cubic feet of brick masonry. The width of the blocks is eight inches which experts compare favourably with 13½ inches of brick.

Like all machine-made articles, the hollow blocks have a nice, clean and regular appearance. Made out of one part of cement and six of sand, 100 blocks of the size of 16" x 8" x 8" consume four bags of cement. 112 blocks make 100 sq. feet of 8" thick wall, which should be sufficient to account for the economy in the whole construction.

The construction of the building is in progress and various items of construction with the use of cement are being introduced.

* * * *

U K. Best Customer for Tobacco

During the last three years there has been a steady rise in Indian tobacco exports to the United Kingdom, which is by far India's best customer for this commodity. During the first eight months of the 1949-50 season India's exports of unmanufactured tobacco totalled 39,300,000 lb., a slight increase over the corresponding period of 1948-49, and shipments to the U. K. alone rose by 16 per cent. During the period April to November 918 India exported 38,480,000 lb. of tobacco, of which 20,492,000 lb. went to the U. K. During the same period last year 23,686,000 lb. were sent to the U.K. out of India's total exports of 39,230,000 lb. During April this year Britain received 3,6.4,510 lb of unmanufactured tobacco from India, compared with 477,350 lb. during that month last year. The total value of Britain's April imports of Indian tobacco was £344,260. In the first four months of this year Britain's total imports of unmanufactured tobacco were 65,099,705 lb. of which 11,024,428 lb.—more than one-sixth—came from India.

* * * *

Unique Work-Study Programme

To assure a continuing supply of well-educated and technically trained personnel to fill executive positions, a large bank in the United States has started an annual work-study programme. A six-year training plan has been announced by the U. S. National Bank in Portland. The bank will provide in-service training and finance a four-year college. The first class is composed of nine boys now in their last year at secondary schools. After a preliminary 15-month period of on-the-job training, the bank will pay the trainee's tuition at any college of his choice. He must study subjects related to the field of banking and make average or better grades. The remainder of the six-year course will be divided between college study and work in the bank. There the trainees will work as clerks, book-keepers and tellers. They will be required to save part of the wages they receive to help pay their college expenses. Upon graduation, the bank promises to give each of these young men a position in one of its 40 branches in the State.

PHOENIX CEILING FAN

Alternating Current 220/250 Volts, Single Phase & 50 Cycles.

Type	Sweep in inches	Watts at full speed	R.P.M.	Air delivery in cft per minute	Price F.O.R. Destination
Phoenix ...	60"	64	215	13,650	Rs 204
,,	56"	62	225	11,200	Rs. 186
,,	48"	53	240	9,050	Rs. 173
,,	36"	50	315	6,660	Rs. 136

Direct Current-220/250 Volts.

Type	Sweep in inches	Watts at full speed	R.P.M.	Air delivery in cft per minute	Price F.O.R. Destination
Phoenix ...	60"	46	230	14,700	Rs. 198
,,	56"	40	240	13,150	Rs. 185
,,	48"	35	270	10 880	Rs. 170
,,	36"	27	375	7 840	Rs. 138

Each fan is supplied with one regulator, one-foot down rod with hanger and insulator, one canopy and one set of blades.

Manufactured : by The Engineering Works of India Limited, 96, Chowringhee Square, Calcutta.

BENGAL LAMPS

1. Vacuum Lamps

Prices per dozen.

Watt.	Caps	Clear Rs. As. Ps.	Inside frosted Rs. As. Ps.	Daylight Rs. As. Ps.	Natural Colour Rs. As Ps.
5	SC/BC	16 8 0	...	...	24 12 0
10	,,	15 12 0	...	...	23 10 0
15	,,	13. 2 0	13 14 0	17 7 0	19 11 0
20	,,	13 2 0	13 14 0	17 7 0	19 11 0
25	,,	13 2 0	13 14 0	17 7 0	19 11 0
30	,,	13 2 0	13 14 0	17 7 0	19 11 0
40	,,	14 4 0	15 0 0	18 15 0	21 6 0

2. Gas-filled Lamps

Watt.	Caps	Clear Rs. As. Ps.	Inside frosted Rs. As. Ps.	Daylight Rs. As. Ps.	Natural Colour Rs. As. Ps.
40	SC/BC	15 12 0	16 8 0	21 0 0	23 10 0
60	,,	16 11 0	17 7 0	22 5 0	...
75	,,	19 14 0	20 10 0	26 7 0	...
100	,,	23 13 0	24 9 0	31 11 0	...
150	,,	39 12 0	...	53 0 0	...
200	,,	60 0 0	...	80 0 0	...
300	G.S.C.	72 12 0	...	...	...

MAKERS : The Bengal Electric Lamp Works Ltd., Calcutta.
VOLTS : 110 ; 220/230, 240/250.
FINHIS : Metal-Filament Drop Shape.

ELECTRIC FANS

	SWEEP	WATTS AT F. SPEED	R.P.M.	AIR DISP. Cu. ft. p.m.	PRICE WITH REGULATOR EACH
	48"	40	260	9,550	Rs. 180/-
1 KASSELS (Patent) A.C. 220/250	56"	52	250	12,650	Rs. 192/8/-
Volts. single phase, 50 cycles.	60"	55	220	13,600	Rs. 210/-
Capacitor Type	72"*	68	190	16,000	Rs. 238/-
Kassels Regulator Resistance Type					Rs. 17/-
2 ANAND All-Electrical Sheet	36"	52	330	6 800	Rs. 135/-
Stampings De Luxe A.C.	48"	48	240	9 200	Rs. 174/-
220/250 Volts, single phase,	56"	66	220	12,200	Rs. 188/-
50 cycles, Non-Capacitor Type.	60"	70	215	13 500	Rs. 205/-
	72"*	75	168	16,000	Rs. 230/-
Anand Regulator Choke Coil Type					Rs. 19/-
3 LUCKY A.C. 220/250 Volts,	36"	58	330	6 660	Rs. 125/-
single phase, 50 cycles. Non-	48"	63	240	8,550	Rs. 163/-
Capacitor Type.	56"	72	230	11,850	Rs. 173/-
	60"	75	220	11,900	Rs. 184/-
Lucky Regulator Choke Coil Type					Rs. 19/-
4 AZAD D.C. 220/230 Volts.	36"	27	350	7 500	Rs. 138/-
	48"	32	260	9,500	Rs. 170/-
	56"	40	280	12,600	Rs. 187/-
	60"	43	228	13,905	Rs. 198/-
	85"*	60	145	21,000	Rs. 234/-
Azad Regulator Resistance Type					Rs. 17/-

*The above prices, inclusive of one foot down rod and regulator are F.O.R. Madras and are subject to alteration without notice.

Rates for "Raja" Toilet Products

"RAJA" Snow—Rs. 162-0-0 per Gross, Case of Two Gross, less 12½ per cent & 5 per cent. Rs. 239-5 3 per Case of Two Gross nett.

"RAJA" Hair Oil—Rs. 216-0-0 per Gross, Case of Half a Gross, less 12½ per cent & 5 per cent, Rs. 89-12-0 per Case of Half a Gross nett.

"RAJA" Hair Fixer, Large—Rs. 162-0-0 per Gross, Case of one Gross, less 12½ per cent & 5 per cent. Rs. 134-10-8 per Case of one Gross nett.

"RAJA" Hair Fixer' Medium—Rs. 126-0.0 per Gross. Case of One Gross, less 12½ per cent & 5 percent. Rs. 104-11-9 per case of One Gross nett.

"RAJA" Kasturi Soap Large—Rs. 90-0-0 per Gross, Case of Two Gross, less 12½ per cent & 5 per cent. Rs. 149-10-0 per Case of Two Grtss nett.

"RAJA" Kasturi Soap Small—Rs. 54-0-0 per Gross, Case of Two Gross, less, 12½ per cent & 5 per cent. Rs. 89-12-6 per case of Two Gross nett.

"RAJA" Bar Soaps—(Bar of 12 oz.) Rs. 144-0-0 per Gross, Case of Half a Gross, less 12½ per cent & 5 per cent—Rs 59-13-6 per Case of Half a Gross nett.

"RAJA" Agarbathi—Rs. 72-0-0 per Gross Packets of 2 Tolas each, less 12½ per cent & 5 per cent. Rs. 119-11-3 per Case of Two Gross packets nett.

"RAJA" Face Powder—Rs. 144-0-0 per Gross, Case of One Gross, less 12½ per cent & 5 per cent. Rs. 119-11-3 per Case of One Gross nett.

F. O. R. BANGALORE for orders not less than a case at a time. 5 per cent. extra for orders less than a case ; Minimum value must be for Rs. 100-0-0, Full nett value of the order should be remitted along with the order, by way of Bank draft payable at Bangalore.

MANYAM & CO.

Mfrs. of 'Raja' Toilet Products, H. O. Bangalore 3.

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